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Home Office: 90 JOHN ST., NEW YORK 38, NEW YORK

Midwestern Department: 1012 BALTIMORE BLDG., KANSAS CITY 5, MO.

THURSDAY, FEBRUARY 11, 1954



NUMBER 6 OF A SERIES

★ *This is America* ★

What's the Cabinet got to say about it?

Nothing — officially. But the Cabinet usually has a good deal to say about many things, for the President's ear alone.

The Constitution contains no provision for such a collective body of department heads — originally three, now ten in number. The forming of these individuals into a "cabinet" of Presidential advisors has grown up through custom. Presidents, from Washington's time on, have used their Cabinets as a sounding board — requesting their opinions, taking them into their confidence on important

matters of state. Cabinet members also avail themselves of the opportunity to put problems on the table for group thinking.

The Chief Executive regularly seeks Cabinet counsel, but is not obligated in any way to follow it. Successive Chief Executives, finding the idea helpful, have carried it on. In so doing, they have followed the fundamental principle that democratic administration is always the result of combined effort — what we Americans so often call "good team work".

The EMPLOYERS' GROUP Insurance Companies



THE EMPLOYERS' LIABILITY ASSURANCE CORP. LTD.
AMERICAN EMPLOYERS' INSURANCE CO.
THE EMPLOYERS' FIRE INSURANCE CO.

110 MILK ST.
BOSTON 7, MASS.

For Fire, Casualty and Marine Insurance or Fidelity and Surety Bonds, see your local Employers' Group Agent, The Man With The Plan

This advertisement appears in full color in *Time*, February 22.

Medical, Group Meetings Draw Record 375

Chicago Session of Conference Spiced by Government Activity

The hospital-medical and group meetings at Chicago this week of Health & Accident Underwriters Conference attracted a record crowd of about 375. Both meetings had special significance—the hospital-medical session because that business is beset with problems thrust upon it since it has taken on a tremendous social significance and the administration is investigating some sort of reinsurance plan; while in the group business the situation is one of internal problems, although there is the added complication of recent investigations into welfare funds.

The entire hospital-medical program was given over to a discussion of insuring older-age persons. Five prepared papers were delivered on this subject, and there was an afternoon devoted to open discussion.

At the opening session, John P. Hanna, conference managing director, spoke briefly about the FTC investigation. He said the FTC requirement is that the companies supply it with newspaper and magazine advertising, radio and TV scripts, and general circulars and direct mail pieces. There have been questions from the companies as to whether group proposals are included in this classification, and the answer is "no." If companies are putting out explanatory booklets on group plans urging employees to join the group, the FTC wants specimens only. If an agent or broker is doing his own advertising, the FTC is not requesting that material unless the broker or agent sends it in to the company for approval.

Mr. Hanna introduced Robert R. Sills, special attorney of the FTC in charge of insurance matters, and Donald MacDonald, attorney in charge of the Chicago and mid-western office. Mr. Sills spoke briefly, saying that he feels when the investigation is over, the A&H people will be addressing their mail to a new division of FTC. He added he was impressed with the fact that during this investigation the attitude of FTC is that there should be nothing done to disturb the public confidence in A&H in general. The whole investigation is being handled in a quiet way with the effort on getting facts.

H. Lewis Rietz, vice-president of Lincoln National and conference president, had some comments on the Eisenhower reinsurance plan. It was thought that the administration bills would be in the Congress by now and there would be an opportunity to discuss details, but so far there has been

Insurance Loss May Exceed \$500,000 in Zion, Ill., Fire

The business district of historic Zion, Ill., was swept by flames Feb. 7 which caused estimated damage of more than half a million dollars. Preliminary estimates indicate that the insurance loss may also exceed \$500,000. In the case of the two largest buildings involved, owned by Zion Industries, the loss was total and is expected to reach the \$350,000 mark.

Starting in the stockroom of the second floor shoe department of the Zion department store, a block-long building, the flames spread to the Barton & Ketz plumbing and supply store to the north of the department store and also damaged the Zion State Bank. Jumping the street to the east, the flames then damaged the building housing the Zion curtain factory, the Blumberg Furniture Co. and a laundrette.

There are several smoke and water exposure losses and a number of U & O losses. The latter may present a problem on temporary locations since Zion is a small town with subsequent limitation of available business structures.

The Zion Industries buildings and merchandise were handled by Associated Agencies of Chicago, which is on the line for more than \$2 million. Zion Industries did not operate the department store which was entirely leased, nor did it have any interest in the merchandise there.

Zion Industries important merchandise is in two, modern fire-resistant, sprinklered buildings which are not located in the business district where the fire occurred. The Industries' merchandise destroyed will, under the reporting form, run from 12 to 15%, and the two buildings represent in the general form a loss of about 10%.

nothing introduced. The federal reinsurance program, as the insurance people see it, is designed to encourage private companies to broaden coverages on a self-supporting basis. Apparently the President has in mind only medical care costs and he has said the best way to accomplish this program is through voluntary plans. The question is in what areas does the administration want to move. Mr. Rietz said it seems there is no intention to move in where private companies are already doing a job, but rather to go into what might be termed less successful areas, such as coverage for aged persons, low income groups, or people living in urban areas, plus a more rapid extension of benefit patterns such as major medical insurance.

The business should welcome suggestions from any source, particularly the government, Mr. Rietz said. However, he mentioned the business has been concerned for some time with these problems. Mr. Rietz said he be-

(CONTINUED ON PAGE 37)

Langer Mail Order A&H Inquiry Is Revived, FTC Goes on

WASHINGTON—Senator Langer's mail order investigation has been revived, with prospect that hearings will be resumed between Feb. 23 and 26. However, the exact date depends upon the handling of other business before the committee.

Alvis Layne, counsel of Insurance Advertisers Assn., is tentatively scheduled to testify at a hearing Feb. 25. It has been indicated the senate judiciary committee would not be averse to having the record of its investigation more balanced than it is at present with all the testimony submitted by government witnesses.

Layne is expected to testify along lines of clarifying the nature of mail order insurance.

Some interested in the federal trade commission investigation of A&H say they don't know what the commission wants and even hint the commission itself may not know. One thing to which attention is called is that FTC fixed no time limit for receipt of replies to its questionnaire to some 800 companies engaged in the A&H field.

As broad in scope as that document is, however, it could have been much broader if the industry liaison committee had not succeeded in having eliminated a number of requests for data regarding company profits, losses, loss ratios, loss expenses and various other angles.

FTC has asked the companies for copies of all 1953 newspaper and magazine advertisements, mail advertising, material used on radio and TV, and solicitation letters or circulars advertising A&H, except letters to individual correspondents. Companies which do not do A&H business are advised they do not have to answer.

FTC asks for total A&H premiums received and total claims paid in 1953. The commission says it will not publicize answers to its questions unless it has a case to take to court. It will give a company whose advertising it adversely criticizes opportunity to confer with FTC.

The companies are told that when the commission gets the material it will examine it for matter patently misleading. If found, FTC will ask the company for policies to compare. If discrepancy is found between ads and a policy a fuller investigation will be undertaken.

Representatives of companies may then talk matters over with FTC representatives. If the commission thinks the facts warrant, it may proceed with enforcement of laws it administers.

FTC says it is interested in advertising that omits any material fact regarding the policy advertised.

FTC recognizes the right of any company to resist the investigation, but in that event the FTC is prepared to test the matter in the courts.

FTC says it feels there is no conflict
(CONTINUED ON PAGE 40)

Tempo, Tempers Rise as Test on Compulsory Nears

Committee Hearing of "Victims" Called Repulsive; Business Presents Own Views

BY KENNETH FORCE

ALBANY—Four persons who had suffered bodily injury as a result of traffic accidents involving uninsured motorists and had not been reimbursed for the resulting costs appeared before the joint legislative committee on unsatisfied judgment fund and compulsory auto insurance and told their stories here. In addition, Sen. Hulst, the chairman, read half a dozen letters from other persons over the state who had had similar experiences.

The presentation of these witnesses was described as "repulsive" by Daniel J. Reidy, vice-president and general counsel of Guardian Life, chairman of the insurance section of New York State Bar Assn. and spokesman for the state bar at the hearing. Mr. Reidy expressed sympathy for the plight of the witnesses but scored the legislative committee's employment of such tactics to boost the cause of compulsory.

Henry S. Moser, vice-president and general counsel of Allstate, said he had been practicing law and attending legislative hearings for more than 25 years. He said he had seen widows in black on the witness stand, children running to climb on the laps of plaintiffs in court and criminal lawyers releasing canaries to flutter about the court room in an effort to escape, but he had never seen anything like this at a legislative hearing.

It was, he said, an unheard of procedure to spend state money to seek out these people. He asked why the committee did not bring it before other kinds of witnesses.

One witness was Mrs. Esther M. Barnard of West Seneca, N. Y. who was driving home with her husband when another car crashed into them head-on. Both she and her husband suffered serious injuries, some of them permanent, and underwent heavy expenses. Their attorney, John M. Gorman of Buffalo, secured two judgments totaling around \$29,000. But Mr. Gorman, who appeared before the committee, said he had no hope of collecting them. He said that out of 40 to 45 auto negligence cases he had handled in two years, 10 involved financially irresponsible and uninsured drivers. He urged compulsory auto insurance.

Mr. Moser wondered why the committee had not brought to the hearing a family that is a neighbor of Mrs. Barnard. Six members were involved in a similar accident, one lost an eye, others suffered broken bones, and there were months and months of hospitalization and unemployment.

But they were struck by a financial—
(CONTINUED ON PAGE 27)

Murphy Gives Pro-Compulsory Views to Brooklyn Brokers, Gets Questions Back

Salient points of New York state's compulsory auto plan were discussed by Joseph F. Murphy, deputy superintendent of the insurance department before Brooklyn Brokers' Assn. before he opened the discussion to questions from the audience.

Reviewing the state's program, Mr. Murphy said that it would require, before registration, a certificate of insurance issued by an authorized insurer proving that the vehicle owner had at least 10/20/5. That's all it requires, it does not change the method of insurance, he said. The bill does not provide that the insurance be coterminous with registration as it does in Massachusetts.

There is also no change in methods of rating in the bill.

The red herrings of opponents of compulsory are the questions, does the bill improve safety conditions and does it save lives or eliminate property damage? Probably, he said, it would do neither, it might eliminate unsafe vehicles, but that is argumentative. The state isn't talking for safety and it isn't proposing safety legislation in this bill; the action is being taken to eliminate the 5% of the drivers who do not carry insurance.

Although he pointed out that the Massachusetts compulsory law which has been the object of so much comment since the New York bill was introduced, has no connection with the New York bill, the audience referred to it, so he enumerated the differences.

The arguments against the Massachusetts law, he said, are that it has no guest coverage, no allowance for property damage and no coverage outside Massachusetts. But the New York bill provides for all three—"that's dratsmanship," he said.

The Massachusetts law put politics into rate making, he conceded, but the circumstances are different between the time the Massachusetts law went into effect in 1927 and the present conditions in New York. When the Massachusetts bill became law, only 30% of the state's drivers were insured. In New York today, 95% are insured.

In Massachusetts the commissioner fixes the rates after a public hearing. If politics would come into rate making after compulsory is law, why doesn't New York have it now? he asked. There are 4 million private passenger cars in the state now, would another 200,000 interject politics into rate making? he queried.

The state has had workmen's compensation since 1911, but there is no politics in rate making for that.

The possibility of compulsory leading to a state fund Mr. Murphy countered by saying that there is no state fund in Massachusetts and there would be none in New York unless private insurers refuse to take the insurance.

Referring to the state fund in WC, he said that if the companies had formed an assigned risk plan when the WC law went into effect, there would be no state fund today.

The problem of compulsory auto reducing commissions, he said, depends on the brokers. Commissions aren't bound up with compulsory.

It is said that compulsory won't cover the field, and he conceded that it will not. Cars driven by non-residents, which make up about 5% of the cars

on New York's roads, are not covered by the compulsory law. But only .3 of 1% of all accidents in New York involve uninsured non-residents.

There are other gaps, he admitted. The bill doesn't cover law violators who have illegal license plates or stolen cars—these cause .1 of 1% of the accidents; nor does it cover hit-and-run drivers, but 80% of them are ultimately identified.

In the question and answer period, the questions included:

Q. How can you compare the coverage under the voluntary plan, submitted by insurers, and compulsory? The voluntary plan is nationwide and compulsory won't cover visitors.

A. First I want to point out that about 50,000 cabs, 300,000 minors and 100,000 persons are subject to safety responsibility in the state. Now, the voluntary plan would set up a claim and judgment corporation and make it mandatory for every auto insurer to join it. Such a corporation would cause the insurers to sell unsatisfied judgment insurance.

The companies, under the voluntary plan, would sell to two groups, the car owning family and the non-car owning family. The premium is 2% of the BI and PD rate or a 10/20/5 coverage with a \$300 deductible clause. When the \$300 deductible is applied it excludes 65% of the BI claims. It is unique in the casualty field that anyone would buy coverage and have the insurer fight him on a question of liability. In other words, he said, you're buying a law suit for your money. This insurance would also exclude the uninsured person in the car and the hit-and-run driver.

In considering the non-car owning family it must be acknowledged that this is the lower economic group in the state. Approximately 25% of the families in New York don't have cars. If the logic of such a plan is considered, the question arises why isn't the cost of auto insurance put where it belongs—on the uninsured?

Q. Is there any penalty for a non-insured out-of-state motorist involved in an accident?

A. If the non-resident is caught, he loses his driving privileges in New York and his home state commissioner is notified. If he continues to abuse driving privileges, his car may be impounded. However, the motor vehicle bureau doesn't consider it too great a problem.

Q. In Massachusetts, the facts and figures proved that the compulsory insurance was more costly than other insurance. Wouldn't it be the same in New York?

A. The cost of administration would be passed on to insurers and in turn would be transferred to the insured. Commissioner McDuff, of the motor vehicle bureau, has estimated that cost of compulsory would be a substantial reduction from the \$1,800,000 it costs for the financial risk plan. The staff of evaluators would be eliminated, which would cut part of the cost.

Q. Why is the insurance department so interested in compulsory when it should be a motor vehicle department problem?

A. The plan was made with the co-operation of both departments, but I do not know why the insurance department is so interested.

Q. How would the expiration of po-

licies be checked?

A. The commissioner of motor vehicles will set up rules so that coverage could be continuous within periods of registration. The bill provides for a 30-day notice of cancellations.

Q. Why isn't there state inspection of vehicles?

A. I do not have a considered opinion on the question, but it has been shown that states that have compulsory inspection have fewer accidents than before inspection was required.

Q. Why hasn't the assigned case plan bill been introduced this year?

A. The bill has been introduced and it's available for consideration, however the main target is bringing up the percentage of insured motorists.

Q. The compulsory plan was initiated by the administration itself, did any other group have anything to do with it?

A. Let's not kid ourselves, look at the newspapers, the public demands it.

Q. It is estimated that a quarter of the motorists change cars every year, would they have to obtain certificates for such change and during the time before the certificate is issued would they be kept off the road?

A. No, that would be a hardship. A ready and feasible method will be available for issuing such certificates.

Q. If the insurance department is so interested in the public, why doesn't it reexamine drivers when they get new licenses?

A. It's a motor vehicle bureau matter, but speaking as a private citizen, such a plan makes sense to me.

Q. In Massachusetts there was a great increase in insolvency in the insurance business after the compulsory law went into effect. Would that happen here?

A. Insolvencies happened in Massachusetts presumably because of an inadequate rate level. Here in New York we are careful about our companies and we are happy that during some of our most perilous days we have avoided insolvencies.

Fidelity & Casualty and Fidelity & Deposit are sureties on the \$2,900,000 runway extension and improvement work at the Palmdale, Cal. airport.

Agency Held Liable for Lack of Cover in PPF Policy

An insurance agency has been held liable for lack of coverage in a policy when that coverage had been asked for by the insured. The court said it was not necessary for the insured to read his policy to determine if it covered the risks, since he had asked the agent to provide him with specific insurance.

The case was tried in district court at Minneapolis. Herbert Stulberg, a Minneapolis clothing salesman, in May, 1951, asked Mutual Service Cooperative agency of St. Paul to get him a personal property floater covering loss or damage to all his personal property, including samples and sample cases he carried when he went on the road. In 1952, he said his automobile was burglarized, and sample cases and clothing valued at \$762 were stolen. The insurer refused to pay the loss, claiming its policy covered only the theft of personal property from the home. The jury awarded Stulberg \$756, but Judge Carroll in district court, in a directed verdict, eliminated the insurer and held that the agency was responsible in that it did not give to Stulberg the coverage he asked for.

The judge went on to say he did not believe it necessary for the insured to read his policy since "it is not customary and I do not think it necessary under Minnesota laws for a person subsequently receiving a policy to read it carefully to determine if it covers the risks requested."

A stay has been granted to permit an appeal by the agency.

N. Y. Board of Trade Still Anti-Compulsory

New York Board of Trade has reaffirmed its opposition to compulsory auto in letters to Gov. Dewey and members of the legislature.

Insurance Women of St. Louis observed their annual bosses night Feb. 9 with a dinner at the Sheraton hotel. Irene Sheets of National Surety is president.



Group of insurance leaders who outlined their ideas on prospects for 1954 at a meeting of the insurance group of Union League Club of Chicago last week: From the left: Roy Davis, midwest manager of Assn. of Casualty & Surety Companies and chairman of the insurance section; George Whitford, vice-president of Fire Association; Emil Lederer of the Chicago agency of Stewart, Keator, Kessberger & Lederer; Levering Cartwright, vice-chairman of the insurance section; A. N. Guertin, actuary of American Life Convention, and John P. Hanna, managing director of H&A Underwriters Conference. Photo by Guy Ferguson of Ferguson Personnel.

Continental Companies

GENERAL OFFICES: CHICAGO, ILLINOIS

ANNUAL FINANCIAL STATEMENT

Continental Casualty Company
and its subsidiary *Transportation Insurance Company*
Consolidated Financial Statement—December 31, 1953

ASSETS

Cash	\$ 17,470,769
United States Government Obligations	56,162,817
Canadian Government Obligations	6,266,391
Other Public Bonds	55,102,578
Public Utility Bonds	528,142
Railroad Equipment Trust Certificates	119,836
Miscellaneous Bonds	1,949,379
Preferred Stocks	6,559,472
Stocks of Associated Life Insurance Companies	11,134,767
Other Stocks	27,095,939
Administrative Office Buildings	5,981,587
Net Premiums in Course of Collection	7,243,556
(Not over 90 days past due)	
Accrued Interest and Rents	989,910
Other Assets	2,051,898
ADMITTED ASSETS	\$198,657,041

LIABILITIES

Unearned Premium Reserve	\$ 47,540,241
Reserve for Losses	69,991,529
Reserve for Loss Adjustment Expense	6,304,000
Reserve for United States and Canadian Income Taxes and Excess Profits Taxes	6,784,464
Reserve for Other Taxes	3,052,284
Miscellaneous Liabilities	2,466,751
Minority Shareholders' Interest in Subsidiary	215
Total Liabilities	\$136,139,484
General Contingency Reserve	\$ 16,660,290
Capital (Shares of \$10 Par Value)	10,000,000
Surplus	35,857,267
Surplus to Policyholders	\$ 62,517,557
TOTAL	\$198,657,041

All securities are carried in accordance with the requirements of the National Association of Insurance Commissioners as follows: eligible bonds at amortized values; insurance stocks at pro rata share of capital and surplus; all other securities at quotations prescribed by the Association.

Net premiums written during 1953	\$142,369,489
Increase over 1952	26,520,784

DIRECTORS

†RAYMOND H. BELKNAP
Vice President

WM. McCORMICK BLAIR
William Blair & Company

WILLARD N. BOYDEN
Vice President

EDISON DICK
Director
A. B. Dick Company

†HARRY W. DINGMAN
Vice President

FRANK R. ELLIOTT
Banker

BOYD N. EVERETT
Vice President and Treasurer

ARNOLD B. KELLER
Senior Consultant and Director
International Harvester Company

*Continental Casualty Company only

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President

The First National Bank of Chicago

*LOUIS C. MORRELL
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†HOWARD C. REEDER
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*J. M. SMITH
First Vice President

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JOHN E. STIPP
President

Federal Home Loan Bank of Chicago

R. DOUGLAS STUART
Director

The Quaker Oats Company

STUART J. TEMPLETON
Wilson & McIlvaine

ROY TUCHBREITER
President

Insurance in force as of December 31, 1953	
("Paid-for" basis)	\$2,587,083,035
Increase over 1952	409,182,087

The detailed Annual Reports of the Continental Companies are being prepared. They will be furnished upon request.

Casualty Insurance Accident—Health—Hospitalization Fire and Allied Lines Life Insurance
Fidelity and Surety Bonds Domestic and Foreign Reinsurance

CONTINENTAL COMPANIES • *One of America's Great Insurance Institutions*

CONTINENTAL COMPANIES BUILDING

310 SOUTH MICHIGAN AVENUE, CHICAGO 4, ILLINOIS

Home Shows Gains in Volume, Assets

Home in 1953 showed an increase in volume of \$5,304,979, to a total of \$213,003,611. Net premiums retained were \$188,279,586, as compared with \$183,269,301 in 1952. Net premiums earned were \$182,736,637, an increase of \$6,951,019.

Assets at year end were \$397,021,613, the highest ever recorded. Cash or its equivalent reached a total of \$107,873,750 or 32.3% of total assets. Policyholders' surplus, influenced by reserves on its increased premium income and the general effect of the reduced security market, was \$169,364,450 compared to \$174,077,265.

Net investment income for the year, before federal taxes, amounted to \$11,208,698 compared with \$10,277,802.

Underwriting operations before federal taxes showed a profit of \$3,273,640, compared with \$6,154,598.

According to President Harold V. Smith, Home's underwriting operations and its over-all loss ratio of the past year reflects the company's participation in the widespread windstorm losses. Its ratio of losses incurred to premiums earned was 53.9% in 1953, compared with 52.4% in 1952, while the ratio of expenses incurred to premiums retained, exclusive of federal taxes, was 43% in 1953 as compared to the 1952 figure of 42.3%.

Dividends to policyholders were increased in 1953, the fourth such increase since 1949.

General of Seattle Premiums Up 15%

General of America group at the end of 1953 had assets of \$146,984,443, an increase of more than \$15 million. The earned premiums last year were \$78,397,000, an increase of 15.8%, and the adjusted underwriting profit for the fire companies was 13.6%, and for the casualty companies, including the recently organized Safeco, it was 7.1%. Consolidated fire and casualty profit in 1953 amounted to 11.27% as compared with 8.72% in 1952.

President W. L. Campbell told stockholders that General America Corp. earned \$49.38 a share last year as compared with \$41.97 in 1952, and \$36.99 in 1951. G.A.C. is the holding company for General of Seattle, First National, General Casualty and Safeco.

National Travelers Draws 5-Day Suspension in Cal.

Commissioner Maloney of California has suspended the certificate of National Travelers of Des Moines as to the right to transact disability insurance in California for a period of five days, Feb. 13-17 inclusive. This arises out of charges on the part of the department that National Travelers was engaged in misleading advertising. The suspension does not apply to the right to sell life insurance.

The order was issued following a series of conferences at which the department says the company officers signed an agreement that the code violations, while acknowledged, were unintentional and without wrongful intent.

Anti-Compulsory Pamphlet

A new six-page pamphlet on why compulsory automobile liability insurance should not be enacted in New

York and alternative measures to compulsory has been issued by Assn. of Casualty & Surety Cos. and is available free at the association, 60 John street, New York City. The pamphlet describes the shortcomings of compulsory and offers effective solutions to the problem of the financially irresponsible motorist.

Error Made in Titles of Western Adjustment Chiefs

THE NATIONAL UNDERWRITER last week erroneously reported that H. W. Rutledge has been elected treasurer of Western Adjustment to replace Roy A. Sellery, who has retired at his own request and has been elected an honorary director. Ben M. Butler, vice-president of Western, was elected treasurer, and Mr. Rutledge was elected secretary of Western. He had been assistant secretary since 1948.

The official line-up of Western now reads: President, E. A. Henne, America Fore; vice-president, C. W. Ohlsen, Sun; vice-president, E. H. Forkel, National Fire; vice-president and treasurer, Ben M. Butler; secretary, H. W. Rutledge; assistant secretary and treasurer, J. H. Burlingame, Jr.; assistant secretary and treasurer, R. M. Ryan; assistant secretaries, D. G. Stentz, M. W. Whitelaw, J. L. Sybrandt, Jr., G. S. Corcoran, and W. R. Leuhning.

Dunham Shifted to Mo. Field for National Fire

National of Hartford group has transferred James R. Dunham from the Indiana to the northern Missouri field where he will handle the territory formerly traveled by R. C. Hansen, who has resigned to take over his late father's agency at Kenosha, Wis.

Mr. Dunham was in the army air force for two years. After receiving his discharge in 1945 he attended Indiana university where he graduated in 1949. He began his insurance career in a local agency at Anderson, Ind., and since joining National four years ago, has had extensive training in the western department office at Chicago, and in the Kansas service office and the Indiana field.

In Missouri, he will be associated with state agents M. W. Broockmann and E. L. Packard and engineer M. J. Babusa in the company's headquarters at Kansas City.

New Utah Rate Schedule Offers \$96,000 Decrease

Utah Fire Rating Bureau has proposed a new rate reduction which would amount to \$96,000 annually overall. The effective date would be April 1. This is the second proposed rate change in the last few months, the first having been filed last August, but suspended after the death of Commissioner Terry. It was for a \$60,000 reduction.

The new schedules would lower premiums for residential dwellings about 15%, and there would be decreases for mercantile and business buildings in three classifications, while six classes would take increases.

Commissioner Jones of Utah has referred the new schedule to the state's attorney-general, asking whether the state may conduct a hearing into the fairness of the rates before the effective date.

Ray B. Moss, local agent at Pineville, Ky., who was for 20 years in the Kentucky senate until 1950 when he decided not to run for reelection, has been nominated by Republicans in Bell county to run for the senate post again. His opponent will be Durham W. Howard, an independent, and also a local agent who has served two terms in the house.

Mich. Agents' Midyear Card Is Completed

The program has been completed for the midyear convention of Michigan Assn. of Insurance Agents at Detroit Feb. 24-26.

The first general session will be Thursday morning, Feb. 25, but on the previous afternoon there will be registration and the public relations and planning committee will have a meeting, and in the evening the executive committee and conference committee will hold forth.

There will be an administration report Thursday morning, the report of the conference committee, and information on radio advertising. In the afternoon talks will be given by John N. Cosgrove, secretary and director of public relations of American of Newark; E. H. O'Connor, managing director of Insurance Economics Society, and Daniel M. Walsh, Jr., local agent of Springfield, Mass., will describe agency operations under the compulsory automobile law.

That evening will be the banquet and entertainment, and on Friday the automobile business will be up for discussion with a panel reviewing the merits of representing bureau and/or non-bureau companies, this to be followed by a question and answer period.

At the luncheon, Commissioner Joseph A. Navarre of Michigan will give the address.

Hear Forms Talks at Chicago; Big Earnings Sales Drive Planned

Explanations of the new improvements and betterments and earnings insurance forms, now approved for use in Illinois, were given at a Chicago meeting of Cook County Field Underwriters Assn. by Donald V. Murgatroyd and John O. Healy, both of Hartford Fire. D. P. Skaer, assistant manager of Cook County Inspection Bureau, attended and answered questions on the forms.

W. G. Dithmer, assistant manager of Western Underwriters Assn., detailed a plan originated by the Chicago Board, in cooperation with companies, under which the new earnings form will get a big sales send-off Feb. 15. The board has urged its 2,455 members each to make a minimum of six solicitations and explanations of the form on that day. In addition, there will be newspaper publicity and explanatory posters placed in store windows to help put across the sales message.

Mr. Dithmer said a group of underwriting authorities, led by Will S. Ellis, Chicago fire manager for Royal-Liverpool, will be stationed in the Chicago board headquarters to answer questions producers encounter in their soliciting.

State Agent Rally Feb. 24

Ohio Security of Hamilton has scheduled its annual meeting of agents for Feb. 24. After a day of work, the agents will be treated to a cocktail hour and dinner.

Ohio Security is now located in its new home office in the Second National Bank in Hamilton, where it is occupying larger quarters.

William B. Webber has been named head of the casualty department of Boylston Agency of Boston. He has been a staff underwriter with the Boston office of Phoenix-London group.

Allstate Indicates It Will Write Fire As Soon As Possible

Aim, employee publication of Allstate, in the January issue states that in a few weeks Allstate will enter the fire field. One reason is to serve the many customers who have asked for fire protection of the same quality as Allstate auto insurance. Also, Allstate has a long range plan to diversify its business. In addition, the immense annual premiums of fire insurance makes it a rich, unmined lode of profit and opportunity for the company and employees.

The company does not intend to hire a ready-made staff of experts already trained by other companies but will use men and women with Allstate who have shown ability to adjust to new techniques.

The company intends to enter fire nationwide as soon as possible. At the start it will write policies on one through four family dwellings and on household contents and personal property for customers who live in buildings housing 20 families or less. Mercantile cover is not a part of the program in the very near future. Rates will represent a substantial saving to the customer over most other available insurance.

The fire insurance business is just as big as auto insurance and offers Allstate just as much opportunity for growth the publication says.

Three Bills in N. Y. Come Out of Preferred Case

A bill has been introduced in the New York legislature to provide that insurance agents or brokers shall only pay the liquidator of a company the earned premium on policies and apply the balance of the premium collected to the cost of replacing the coverage in another insurer for the unexpired term of the full policy.

This grows out of the Zanger vs. Bohlinger case. The New York appeals court in that case held that the producer had to pay the liquidator only the earned portion of the premium. However, the liquidator, Superintendent Bohlinger of the insurance department, is expected to ask for a rehearing in the case, and if that fails, it is understood that the department will sponsor legislation. Mr. Bohlinger argued that the entire premium in the hands of the producer should be turned over to the liquidator. The case arose out of the Preferred Accident liquidation.

Another bill in New York would extend the motor vehicle liability security fund, which operates in case of liquidation of an insurer, to include the securing of benefits from accidents occurring out of state under policies covering policyholders who are residents of the state. This is one of the weaknesses of the fund that showed up with the liquidation of Preferred Accident.

A third bill would authorize payment of unearned insurance premiums received by insolvent insurers as allowed claims against public motor vehicle liability security funds. In New York there is a fund for private passenger cars and one also for public carriers.

Vt. Agents Have Regional

R. C. Shipley, manager at Portland for the National Bureau, talked on the new auto BI and PDL classification plan at the regional meeting of Vermont Assn. of Insurance Agents at Barre. H. E. Marsh, commissioner of the motor vehicle department, talked on the amended financial responsibility law.



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Says Insurers Partly to Blame for Welfare Fund Woes

In those cases where labor-management trustee welfare funds have come into disrepute after being used for the benefit of certain individuals, it is not only the union leader and the employer representative who are at fault; the blame has to be assumed in one or another by the insurer and the

agent or broker, Martin E. Segal told those attending the group meeting of H.&A. Underwriters Conference at Chicago.

Mr. Segal, who is head of Martin E. Segal & Co. of New York, a group welfare and pension consulting firm, said he is "proud" of the approach being taken in the investigation of these cases by Superintendent Bohlinger. Mr. Bohlinger is handling this problem with an appreciation of what is good for the public as well as the insurance business, Mr. Segal added. The New York department is now studying more than 600 welfare funds.

"If all insurance companies maintained decent standards with respect to the acquisition of business, the abuses which have received publicity would be well on their way to being eliminated," Mr. Segal maintained. The majority of the companies are mindful of their responsibility in this field, but those few that are not are "simply closing their eyes to the implications of such practices like their excessive commission payments."

Mr. Segal held that the business must police itself, and if it does not do so effectively there will inevitably be restrictive legislation. He said there has to be elimination of excessive commissions, needless service fees and so-called "administration fees," and if this is done those in the field who are out to exploit it would automatically be eliminated.

When competition is ethical, it is stimulating and results in good productive effort, but Mr. Segal condemned "senseless competition between insurance companies, with no other goal than production records." This is pointless operation and it breeds all kinds of ills, among them lower benefits for higher costs. Thoughtful leaders in the business, he said, know there should be more emphasis on quality rather than the volume of new and additional business.

Switching of insurers on welfare plans for the sole purpose of getting an agent or broker some new commissions or making room for a so-called "consultant" is harmful to the insured group, and Mr. Segal recommended there should be penalties against those following such practices. Leaders of industry and labor expect intelligent help from the insurance business, which really understands this complex field.

It is up to the business to help clean house, he went on. There should be a code of ethics developed and anyone violating the code should be prevented from participating in the conduct of welfare plans—just as bar associations throw out those of their members who violate the ethics of that profession. At the same time there has to be a sense of perspective. The evils that have developed in some funds ought not to dim the view of progress that has been made by the majority. The welfare fund idea has the support of the major political parties, the trade unions, the major employers' associations and industry groups.

Western Pacific Home Open

More than 200 agents in the Pacific Northwest attended the open house marking completion of Western Pacific's \$125,000 home office building at Seattle. The three year old company is headed by Don Burnam, president; Roscoe Torrance, chairman; and Boyce Stanard and Howard S. Irwin, vice-presidents.

Mahone to Los Angeles

Duncan C. Mahone has been transferred from Los Angeles to Seattle as assistant to Manager P. E. Jacoby of North American group. Mr. Mahone, at Los Angeles five years, replaces Frank Raab, who will go to San Francisco.

G. Norman Cobb has opened a local agency at Vienna, Va., with himself as president and treasurer and Mavis C. Cobb as vice-president and secretary.

Massachusetts Bonding has received a \$709,000 refund with \$296,074 interest as tax credit from the federal government.

3 Fires at Perth Amboy Are Put at \$328,000

Fire that damaged five buildings, seven stores and nine apartments in Perth Amboy, N. J., had a total insurance loss of \$328,000 in buildings, contents, exposure and household furnishings.

The fires, admittedly set by a Perth Amboy man who said he set them to cover burglaries and who has been arraigned on arson charges, were in an A & P supermarket, Nat's Army & Navy Store and Galinsky's department store. The department store fire spread to three other buildings, damaging four other stores and nine apartments. There was considerable salvage to the contents of the supermarkets and that part of the damage is still under adjustment.

Insurance loss in the A & P fire was \$146,000, in the army and navy store \$48,000 and in the department store fire \$134,000.

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Hellming New Head of Cincinnati Board; Name Change Proposed

Louis A. Hellming was elected president and George Guckenberger III vice-president at the organization meeting of the 1954 governing committee of Cincinnati Fire Underwriters



George Guckenberger



L. A. Hellming

Assn. Other members of the new committee are Walter H. Alexander, Leslie C. Graham, Edward A. Russell, and H. Patrick Sweeney, retiring president.

The governing committee re-elected Joseph F. Schweer secretary. This year Mr. Schweer starts his 35th year with the board.

Mr. Hellming has been treasurer of A. W. Shell & Co. since January, 1953. He started in the insurance business in 1942, as an underwriter in the Cincinnati office of American Automobile. He left that company in 1944, and has been associated with the Shell agency since. He was a member of the governing board in 1953, and also served on the program committee and as chairman of the group insurance committee.

Mr. Guckenberger, a director of the Cincinnati board for the past two years, joined Gustav May & Co. in 1937, after his graduation from DePauw University. In January, 1940, he formed a partnership with J. M. Barkdull which has been interrupted only by his two years of naval service during World War II.

The new governing committee has submitted a proposal that the name of the board be changed to Cincinnati Underwriters Assn., deleting the word "fire."

Western Adds Casualty Adjusters at Detroit, Akron

Western Adjustment's casualty facilities have been extended with the addition of staff adjusters at Detroit and Akron, O.

Charles G. Caster will handle assignments in the Detroit vicinity. He has had extensive experience with Ohio Casualty, Employers group, and as claim manager of the Pfalz-McGraw agency at Detroit.

Clarence D. Chrislip, who will be serving in the Akron area, has been working there as an independent adjuster until recently. He is a graduate of Akron law school and has had claim experience with Lumbermens Mutual Casualty, Buckeye Union Casualty and the Royal-Liverpool group.

Goodale to Direct Service Corp.

Direct Service Corp., of New York has named Percy A. Goodale, Jr. manager of its reinsurance and surplus lines department. He formerly was with Maurice H. Saval in Boston, Lexington of Delaware and Stewart, Smith & Co. in New York.

Direct Service is a correspondent of London Lloyds and is controlled by O'Brien & O'Brien agency in New York City.

Add Baggage to A & H Cover

American Casualty has brought out a new trip accident policy that includes coverage for baggage. The baggage feature is combined with a re-

cently introduced trip-accident policy and provides limits of from \$100 to \$2,000 with a 25% limit on property stolen from a private passenger automobile. The baggage coverage is world-wide and there is no \$10 minimum premium and no jewelry limitation. The policy can be issued as personal accident insurance only, personal accident and baggage or as baggage only.

Eugene Streng, who has been with Western Adjustment at Columbus for six years, has been appointed a general adjuster for the company.

Baltimore I-Day Is Huge Success

Twenty-five men who fought the Baltimore Fire in 1904 were special guests at a luncheon attended by 415 persons, given by insurance leaders in Baltimore as a feature of the city's I-Day. The special day was sponsored by the Assn. of Insurance Underwriters, the Binder Club and the Maryland-Delaware-D.C. Field Club.

Certificates were given the special guests honoring them for their work in

rebuilding the city after the conflagration.

The I-Day program included morning and afternoon lecture sessions on recent trends in insurance protection.

Frank F. Dorsey, vice-president in charge of fire underwriting of U.S.F. & G. spoke at the luncheon.

Agents Day Planned in Pa.

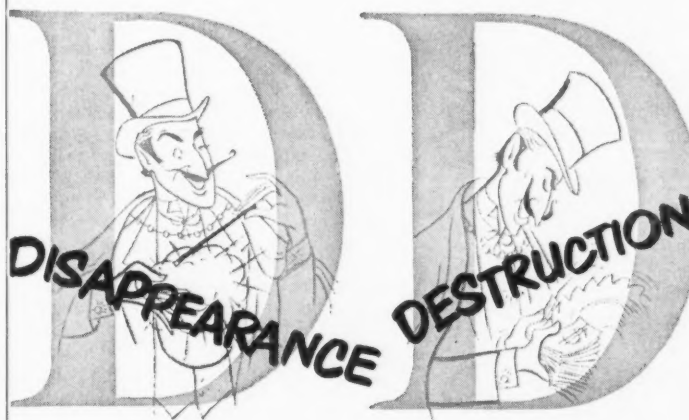
Plans for the third annual Agents Day conference have been completed by Tri-County Assn. of Insurance Agents in Johnstown, Pa. Company executives and agents will attend.

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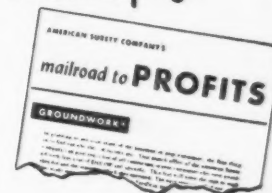
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Outlook Bright for More Coverage on Aged, Miller Says

The fact that costs of medical care increase with age does not create an unusual underwriting problem, and the outlook for a substantial increase in coverages at the older ages is very favorable, John H. Miller, vice-president and actuary of Monarch Life, told those attending the hospital-medical meeting of H&A Underwriters Conference at Chicago.

Roughly, the cost of hospital confinement per capita for the over-65 age group is four times that for persons under 65. For surgery it is about double. For medical care other than surgery, Mr. Miller said the cost probably falls between that of hospital confinement and surgery, since many illnesses of old age require only an occasional visit by the doctor.

If the cost of insuring older persons for A & H can be determined with reasonable accuracy, a suitable premium can be set up and the business underwritten on a sound basis. While extension of insurance beyond previously observed limits might call for some experimentation and subsequent checking, it is a process familiar to those in the business.

Group insurance now is customarily kept in force for all active employees regardless of age and without any increase in contributions. The practice of continuing coverage after retirement is increasing, and if during the period of employment coverage has been extended to the wife, it is usual to continue her coverage also when the insurance is maintained for the retired employee. Blue Cross and Blue Shield offer a parallel in this respect, in that the insured may continue by paying on a direct basis.

For individual policies, including family group, many companies limit their new business to applicants under a stated age, such as 60, 65 or 70. Other companies, including some of the largest writers of hospital and surgical, will issue through age 75 or 80 and a few companies have policies available to applicants at any age. Mr. Miller noted that many companies do not have any specific age limits to which they will renew, while others have a limit on renewal some years above the issue limit. Thus, individuals are not denied an opportunity to obtain health insurance because of advanced age. Admittedly, some of the policies in this bracket are more limited, but it is possible to obtain an issue age through 75 policies for a daily hospital benefit of as much as \$15 up to 90 days with a \$200 surgical and miscellaneous hospital expense limit of \$50. For persons age 76 to 80, daily hospital benefits of \$10 are available, and for those over 80, \$5 daily benefits are offered.

Companies not already issuing policies at the older ages can help solve the problem of the business by doing so, Mr. Miller said. Those companies presently terminating coverage upon attainment of a maximum age might well consider continued renewal of this business at such rates as may be necessary.

In determining the premiums for such renewals, Mr. Miller reminded the underwriters to bear in mind that initial underwriting expense need not be considered—if it has not been re-

couped at age 65 or some other limiting age, it certainly will be irrevocably lost by termination of the policy. Companies operating on the unlevel commission basis, and this comprises most of the business today, will have only renewal commission or service fee to consider by way of agent compensation. Thus the renewal rates for older persons can be computed on the basis

(CONTINUED ON PAGE 34)

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Standards Applicable to Brokers Now and Need to Climb to Higher Level

Some of the legal, economic and other reasons why the insurance broker—and to an extent the local agent also—is a professional man were put forth by George I. Gross, New York City insurance attorney, in his talk at insurance day there. Much of what he had to say about the broker is equally applicable to the local agent, he said, since the agent is an adviser to the insuring public.

There is no room in the business today for the untutored, undisciplined, untrained or unprofessional broker, Mr. Gross believes. Insurance regulatory authorities have tightened the requirements for licensing. Examinations have become more searching and comprehensive.

More than this is needed if the broker is to keep pace with the constantly expanding scope and importance of the insurance business. More than this is essential if the function of the broker is to survive. He must attain a high degree of skill in fundamentals of the business, keep abreast of daily developments in the entire field, be able to appraise financial standings of insurers, know the insurance market thoroughly, know and understand coverages available, their insuring clauses, limitations, exclusions and other vital conditions; be learned in the fundamental principles of business law and know something about the principles of accounting, and have a keen appreciation of the risks which may beset his client's business and property so he can recommend appropriate coverages.

Mr. Gross strongly emphasized the necessity of the broker feeling a deep-rooted and mature sense of responsibility to his client. The brokerage commission represents a substantial part of the premium paid by insured. Many insured, without adequate knowledge or appreciation of the function of the professional broker, feel this commission charge is out of line, unnecessary or unjustified. Many others, though they do not complain, would prefer to see the broker eliminated so there may be an expected substantial reduction in the premium.

There is only one permanent way the broker can overcome this natural resistance and that is by regarding the vocation as a true profession and functioning as such. This means a heightening of educational and training standards for brokers, collective development and formulation of clear standards of service and ethical conduct so the public can be made to realize the broker is not being paid merely to bring insured and insurer together but for advising and guiding clients in their insurance programs and for servicing their policies.

Many individual brokers and brokerage firms go to great lengths to meet these standards. In many instances the commission does not compensate them adequately for the research, investigation, survey and worry they expend in negotiating particular insurance contracts. The general insuring public has not been educated to this concept of the broker.

Legally, the scope and extent of the broker's responsibilities depend upon the scope and extent of the services which may reasonably be expected to be performed under the terms of the particular agreement or understanding. His responsibility is similar to that

which the lawyer or accountant owes his client. The broker need not be guilty of gross negligence or malfeasance before he will be liable to his principal. The general test is whether the broker, in connection with the act complained of, exercised the degree of care in the performance of his duties which the reasonably prudent and skillful broker would have exercised

under like circumstances.

Under the agency relationship between broker and client, the broker owes to insured among other things the duty of loyalty to the insured's interests, of obeying instructions, of not exceeding his authority, of exercising due care in the performance of his services, of notifying insured of any material facts affecting insured's interests, and accounting to insured for insured's property and money that may come into the broker's possession. Impliedly the broker warrants he possesses the skill, knowledge and

prudence ordinarily possessed by brokers.

Numerous decisions in various states have applied these principles in holding brokers liable for specific acts of negligence in performing their duties. The following are examples of broker acts which have been held to be negligent: Failure to renew a policy when requested to do so, procurement of a policy from an insurer not licensed in the state, procuring a policy from an insolvent insurer, stating to insured that a risk had been bound when it

(CONTINUED ON PAGE 35)

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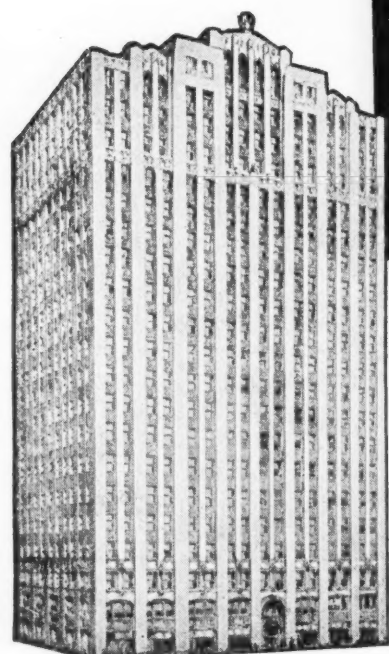
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N. Y. Bar Association Panel Group Sifts Auto Problems at Annual Meeting

Despite the great increase in the number of automobiles on the road and the number of automobiles insured, the proportion of suits per \$100 of premiums is today 40% of what it was 25 years ago, it was brought out during the panel discussion at the annual meeting of the insurance section of the New York State Bar Assn.

Henry L. Ughetta, justice of the New York supreme court, who moderated the panel, said that in Kings county last year, less than 200 cases were tried—99% of them were disposed of without trial.

Among those participating were Robert H. Kilroe of New York; N. LeVan Haver of Kingston; Raymond N. Caverly, vice-president of America Fore; William F. FitzPatrick of Syracuse; Wilson C. Jansen, president of Hartford Accident; U. D. Combs, executive vice-president of U.S.F. & G.; Royce G. Rowe, vice-president of Lumbermens Mutual Casualty, and Harry A. Gair.

Calendar congestion is a local problem, Mr. Gair declared. Why limit the ban on juries to personal injuries? It is true that an emergency situation exists, but that is no reason for attempting to solve it by changing a fundamental. Abolishment of the system of trial by jury can be based only on the conclusion that a jury trial is less just than a trial by a judge. He strongly opposes any modification of the jury system. If the people lose the jury system, they won't get it back.

This leads to the question, are jury trials less just than trials by judge? There are unjust jury trials, certainly, but is the judge any less subject to pressures than a jury?

The jury system must be retained. It is too fundamental a right to tamper with. The plaintiff and the plaintiff's attorney use the jury not because they have a weak case, Mr. Gair declared, but because they have an important one. The jury represents a cross section of the community in which the plaintiff lives and may be better equipped to judge the issues than a judge. A judge sometimes gets oversophisticated, he has had too much experience, he applies his own criteria, and may become arbitrary.

A trial by judge is less glamorous, Mr. Caverly admitted, it might not attract the same high powered lawyers and therefore would be unpopular with them, as it might also be with judges who would have to work harder. He said he thought England had abolished jury trials many years ago for civil cases.

Mr. Haver said that he thought if more courthouses and judges are needed they should be had; after all, with increased automobiles, the government is building more roads. Certainly the jury system should not be tampered with.

Mr. Jansen said that in his personal opinion he is in sympathy with the problem of court calendar congestion but that he violently opposes chipping away fundamental rights which tampering with the jury system would be. This is a larger economy today but there are fewer cases in proportion to it. Insurance company practicing lawyers today don't try enough cases in a year to keep them warm, he said. The waste involved in the long legal procedure is a shame, but the cure of it is not in the abolishment of

juries.

Judge Ughetta said that the jury trial now can be waived. The question is, should the right to a trial by jury be abolished for civil negligence cases? Probably everybody would be better off if the jury trial were waived, and a great proportion are.

Do insurance companies cause court congestion by their refusal to settle cases? Do lawyers cause court congestion by bringing groundless suits or bringing suits in the wrong courts?

Mr. Combs said that there is a lot of misunderstanding regarding these questions. The insurance companies do not produce court congestion. In 1921 U.S.F. & G. had 14,000 lawsuits pending across the country on a business of about 25% of what it is today. At the end of 1953 it has 11,000 cases pending on a volume of around \$200 million.

There is no insurance company but that would like to settle the case. The question is the amount.

Mr. Combs does not believe that lawyers cause delays except possibly in a minute number of situations.

Delays are caused by the difficulties of determining the extent of injury. The adjustor knows that there is no point in making an offer early in the negotiations. The result is often a stalemate, which frequently continues to the courthouse steps.

Insurers settle many thousands of cases. Court congestion, he thinks, is due to the volume of business. His company saves a lot of money by not asking for jury trials, he said. Judges are more experienced than juries and eminently fair.

Many suits are brought in the wrong court, he said. Maybe the case doesn't turn out to be as bad as the plaintiff and his attorney thought. Yet that is not the controlling factor in court congestion.

He said he thought claim practices of insurers generally are satisfactory with the bar. An insurance company that does wait deliberately until the lawyer for the plaintiff moves is and should be subject to more expense.

Judge Ughetta pointed out that a delay of 18 months to two years is considered normal and that the kind of delay about which the panel was talking was one of three to four years.

Mr. Kilroe said that insurance company claim practices do lead to congestion, and that the worst problem here is that so many claim men with insurance companies do not have authority to settle. There are many out of state companies operating in New York, and the claim men for those companies have to write to the home office in some other state, which produces delays.

He also believes that insurance companies take advantage of the long calendar and want too large a discount on the settlement (not verdict) value. They want to settle for 40 or 50%.

He said he thought it would help if companies had high level men at the right time with authority to settle. This would reduce court congestion.

He said records show that about 20% of plaintiffs are bringing cases in the wrong court; in Brooklyn, it was brought out later, this is 40%.

Mr. FitzPatrick said that a poor practice was to ask for \$10,000 for a claim that on the day before the trial

(CONTINUED ON PAGE 30)

Another Round to Maloney in Battle on WC Plans

LOS ANGELES—Superior Court Judge Sweigart at San Francisco has denied the petition of the California domestic casualty companies for a permanent injunction to prevent Commissioner Maloney from enforcing his ruling which would adopt premium discount and retrospective rating plan for workmen's compensation. Almost at the same time, the companies were denied an appeal on the change of venue from Los Angeles to San Francisco.

The state workmen's compensation fund, Pacific Employers, Guarantee of Los Angeles, California Compensation, Allied Compensation, California Casualty, and Argonaut had opposed the introduction of these plans in California. Industrial Indemnity had joined them as intervener. Maloney's original ruling was made in June, 1952, and the companies obtained a temporary injunction preventing him from putting it into effect. That injunction is now set aside and a permanent injunction is denied them. There still is an opportunity for appeal.

The plan was originally promulgated in 1950, and the domestic insurers presented objections. Maloney was then the chief assistant commissioner and the hearing officer. He put the plan into effect when he became commissioner and litigation resulted. The case was first tried in Los Angeles, but Maloney sought a change of venue to San Francisco which was granted. This was appealed, and the insurers have just lost on that count.

The domestic companies in California do nearly all of the workmen's compensation business under their individual plans. Members of National Council on Compensation Insurance have felt they could compete more successfully if the premium discount and retrospective plans were allowed.

Central Surety Reports on 1953

Central Surety continued its selective underwriting policy in 1953 and net premiums dropped \$1,082,870, all in the casualty lines, with the result that the casualty loss ratio was reduced from 62.6 in 1952 to 59.0 in 1953, and there was an increase of \$150,144 in underwriting profit.

As of Dec. 31, Central Surety had assets of \$20,024,272, a gain of \$184,139. Claim reserves amounted to \$7,335,962, up \$491,088, and unearned premium reserves amounted to \$6,017,886, a decrease of \$526,877.

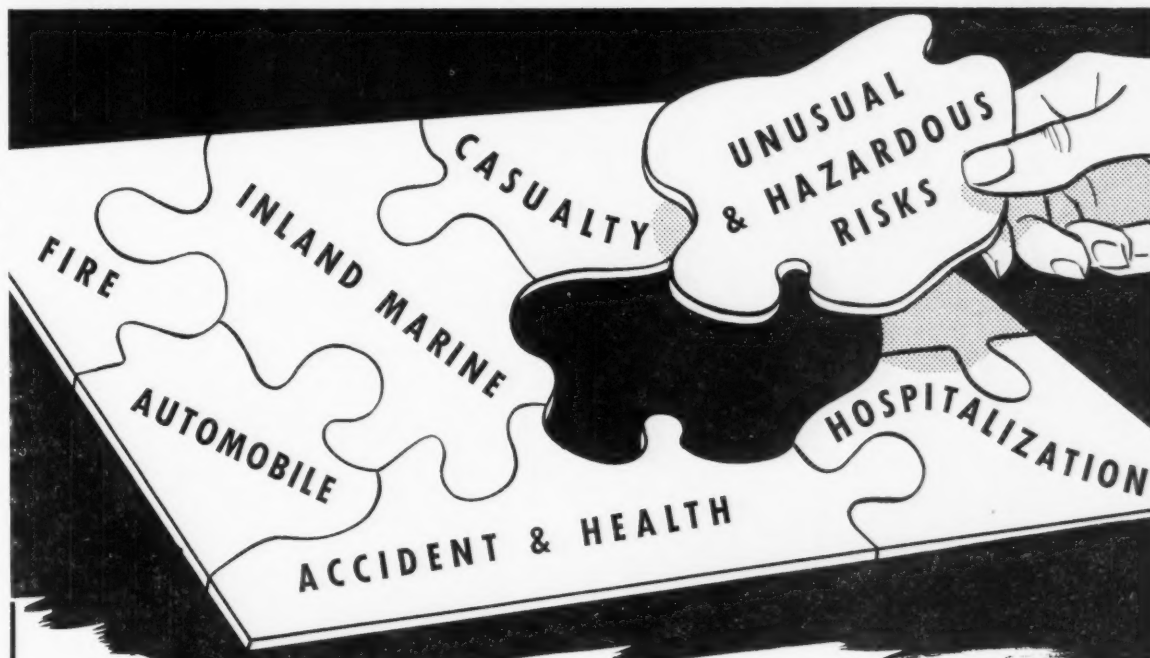
Surplus to policyholders stood at \$5,963,452, a gain of \$172,710. Total premiums written were \$11,174,896.

The net income before taxes was \$470,010 or \$4.70 a share, and compared with \$325,148 or \$3.25 a share in 1952. After taxes, income was \$338,303, \$3.38 a share, and the book value of stock as of Dec. 31 was \$59.63.

Gets Record Settlement

Ainsley Hill, 47, a boilermaker who was blinded and seriously injured in an accident at the Nash Kelvinator Corp. Milwaukee plant in 1950, was awarded damages of \$128,280, said to be the largest for a personal injury suit ever made in U.S. district court there. Actually Hill will get about \$115,000, since the jury ruled he was 10% negligent.

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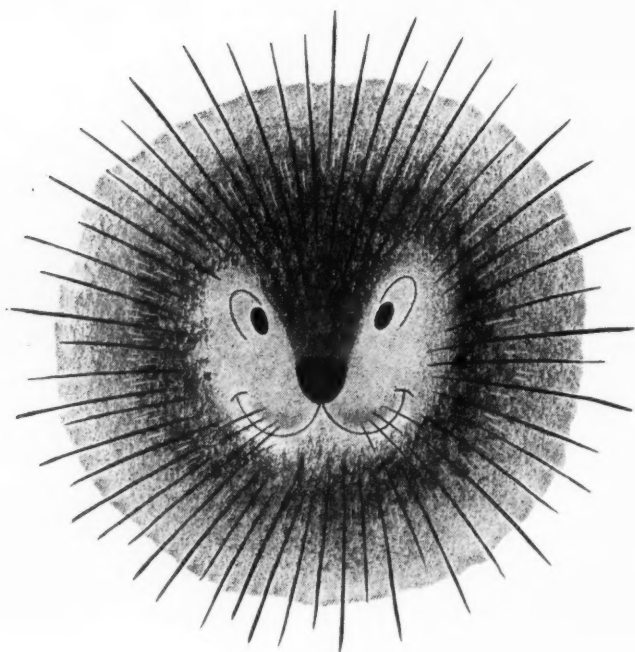
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PR DEPARTMENT

Tells Baltimore I-Day of Loss Men's Role

Those engaged in adjusting claims of policyholders have far greater influence over what the public thinks of the business than any other part of the business, including production, underwriting or even advertising, Leonard B. Bogart, secretary of the Aetna Fire group, said in his talk at Baltimore I-Day. The adjusters are the public relations department of their companies.

The agent sells a piece of paper with some printing on it called an insurance policy. The word comes from the Italian *polizza*, meaning a *promise*. But if and when some specified contingency occurs in the future, the drab-appearing piece of paper and the promise it contains suddenly may become the most valuable of insured's possessions—upon which he must depend to save him from economic ruin.

How loss men fulfill the obligations their companies have assumed and the treatment the individual policyholder receives at their hands in time of need will determine not only what that individual thinks of the business but the insuring public as a whole as loss men proceed to deal with hundreds of thousands of people a year in the settlement of claims. Loss men are responsible for formulating mass public opinion by their deeds.

He noted the increase in catastrophes, the training of more adjusters to meet that problem, the development of National Board's catastrophe program. In 1953 16 separate major catastrophes put to the test the preparations the business had made for meeting such events.

An analysis of loss files shows that at least 99.9% of all claims are disposed of with reasonable dispatch and without irreconcilable disagreements arising between adjuster and insured as to the amount of loss. Rarely does a case require litigation or even arbitration. His loss department last year processed about 85,000 new claims, only 12 of which are in suit or arbitration and of those 12 there are elements of arson or attempted fraud involved in practically every instance.

Always, of course, there will be the occasional policyholder who looks up-

on an insured casualty as the opportunity for quick and unjust enrichment. But it is not that type of adjusting difficulty that is of real concern to the company loss man. What troubles him is the misunderstandings and dissatisfaction too frequently encountered with honest, conscientious insured who believe they are deprived of proper indemnity. These situations usually occur under circumstances which could have been easily avoided had the policyholder been made aware by the agent of the full nature and extent of the coverage—in advance of the loss.

Most insured do not read their policies, yet the adjuster has no alternative but to proceed under its terms and conditions as he finds them when the loss occurs.

It is incumbent upon the thorough and prudent agent to take the time and trouble to make certain his customers clearly understand the cover—and endeavor to meet their loss problems before they arise, instead of attempting later to shift this responsibility to the adjuster. This can be done best by careful and intelligent consideration of insured's requirements before the policies are written.

Thus insured should read and understand his policies before a loss occurs, not afterward.

Also, he advised, insured must be certain the policies are sufficient to meet his requirements, both as to perils and dollar amount.

He urged buyers to select one agent to be responsible for the insurance program, regardless of the number of individual agents writing policies for him.

Once a loss occurs, he urged insured to meet with the adjuster in a spirit of mutual trust and good faith.

He emphasized the difficulties that are created when the adjuster has to straighten out a hodge-podge of coverage, frequently found when there is no over-all supervision of the insurance program by one agent. These difficulties most frequently crop up in coverage carried by the retail merchant. Forms applicable to the contents of mercantile risks provide space for specific coverage on stock, fixtures, and improvements and betterments. Usually any two of them may be blanket, perhaps all three. This means six ready possibilities of non-

(CONTINUED ON PAGE 31)

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EUA Holds Big Public Relations Gathering

NEW YORK—The annual meeting of the public relations committee of Eastern Underwriters Assn. was held here with about 90 in attendance, including the presidents and public relations committee chairmen of field clubs in the territory and officers of fire safety associations, company representatives and others.

The main topic of discussion was the public relations program which is under way in EUA territory, which involves close working liaison of state agents' associations and local boards with field clubs. John R. Robinson of Phoenix-London, the chairman of the PR committee, presided. Don Sherwood of National Board discussed catastrophe procedure.

Other topics on the agenda were the new earnings form, town inspections and field club educational courses on inspection and in speaking.

The PR activities conducted under the aegis of EUA have made remarkable progress in a short time. In 1953 talks and film showings made by field clubs ran up an imposing score. There were 681 talks and 1,246 film showings, the two of them reaching an approximate audience of 199,164. This included the activities of the following field clubs: Albany, Anthracite, Bay State, Buffalo, Connecticut, Del.-Md.-D.C., West Virginia, New Jersey, Rochester, Syracuse, Mountain, Pennsylvania, Pine Tree State, Rhode Island, Smoke & Cinder, Suburban New York, Philadelphia, and Western Mass.

Town inspections were conducted at Plainville and Wethersfield, Conn.; Denton, Glen Burnie and Pocomoke City, Md.; Dedham, Great Barrington, and Natick, Mass.; Dunellen, and Merchantville, N. J.; Attica, East Rochester, Ellenville, Lyndonville, Port Washington and Wolcott, N. Y.; and Ellwood City, Phoenixville Titusville, Pa.

K. C. Society Discusses New Auto, U. & O. Covers

A double-barrelled forum on two new coverages featured the meeting of Insurance Society of Kansas City Feb. 9 at Haag Hall, Kansas City university.

Robert Lainge, manager fire department R. B. Jones & Sons, and F. N. Jacks, manager Underwriters Adjusting, discussed business interruption insurance, particularly the new earnings form for smaller risks. Mr. Lainge compared forms, values and rates, and Mr. Jacks adjustment procedures, and explained an actual loss settlement.

The new automobile extended medical payments coverage was discussed by John McBain, casualty manager R. B. Jones & Sons, and J. R. Churchman, secretary Kansas City Fire & Marine. Open forums followed the discussions.

Mass. Training Bill Passes

Cities and towns in Massachusetts may conduct evening driver-training courses for persons less than 25, according to a bill passed by the Massachusetts senate. The bill is designed to enable young drivers to obtain certificates exempting them from the 60% extra charge for compulsory auto insurance.

Plans New K. C. Building

Allstate has purchased a 35-acre tract in Kansas City as the site of its Kansas City regional office building which is to be a 60,000 square foot brick and stone structure. Allstate already has a regional office at Kansas

City, and this will be its new headquarters for the eight state area it serves. J. H. Walgren is resident manager.

TDB Up One-Sixth in N. J.

New Jersey temporary disability insurance payments, state and private plans, rose to an estimated \$35 million in 1953, or \$5 million higher than 1952. About a third of covered employers provide private plan disability insurance for two-thirds of all workers in jobs. Two-thirds of employers use the state plan system.

Pittsburgh Plans 1-Day Forums, Reception

Educational forums will feature Pittsburgh 1-Day, March 9. They will cover A&H underwriting and development, various phases of claim functions and agency problems and development. Special panels will be held on comprehensive liability and surety bonds and general sessions on casualty and fire insurance.

Guests will include E. J. Seymour, president of National Assn. of Insur-

ance Agents; Artemas C. Leslie, Pennsylvania commissioner, and D. D. Murphy, president of National Assn. of Insurance Commissioners and commissioner in South Carolina.

Elect at Colorado Springs

Colordao Springs Insurors at its annual meeting elected Mrs. Hester L. Carey as the new president. Other officers are: Vice-president, Vincent Sassaiane; secretary, Mrs. Anna G. Daly, treasurer; Walter Baker, Jr.

'Ag' stands for Agents



Clyde, Beverly and William Savage, Norfolk, Va., the sons of Mr. E. C. Savage, are second generation agents. Here is what they and their Secretary Mrs. Harrell say:

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Amer. Casualty Registers Gains

American Casualty and American Aviation & General in 1953 registered new highs in premiums written, assets and surplus.

Premium volume increased to \$59,495,766, 9.3% above the previous year, with substantial increases in all classes. Automobile accounted for less than 41% of its total as compared with 44% in 1952. The principal gains were registered in A & H, general

liability, surety, fire and inland marine.

Assets of the casualty company at Dec. 31 totalled \$41,780,362, a gain of nearly \$5 million. Surplus to policyholders was increased by \$1 million to \$10,038,126. American Casualty increased its paid up capital to \$2 million during the year after transferring \$250,000 from surplus.

The ratio of losses and loss expense incurred to premiums earned, including all claim expense, was 56.27, or about 6% under that of 1952. Operating expenses for the year were

35.76, compared with 36.72 the previous year.

American Aviation now has assets of \$11,442,123, a gain of 1½ million, and surplus to policyholders went up \$50,000 to \$3,234,471. The ratio of losses and loss expense incurred to premiums earned was 53.80, down from 57.74. Operating expenses incurred were 42.19, while in 1952 they were 44.51.

Commenting on the report, President Harold Evans said the continuing reduction in fire rates in most territories, combined with mounting fire losses, would make it appear that the fire line is in for trouble unless the trend is arrested. Automobile liability as the result of rate increases granted in the last three years was again in the black.

Kansas City F. & M. Earnings Up in '53

Earnings of Kansas City F. & M. in 1953 before taxes amounted to \$313,697, compared to \$280,581 a year ago. Net income after taxes was \$240,884 or \$2.41 a share. In 1952 earnings were \$236 a share.

The total premiums written last year were \$12,079,261, a gain of 5.59%. Earned premiums increased 21.47% to \$4,607,404 and surplus to policyholders increased \$78,401 to \$2,910,187. Net underwriting income was \$78,574 against \$6,774 in 1952 and a loss of \$44,756 in 1951. Investment income before taxes was \$232,302.

During the year, Kansas City F. & M. entered into negotiations for placing its entire reinsurance portfolio on a nation-wide basis with American reinsurers, and this resulted in returning to Lloyds of London more than \$1,400,000 previously held by the company. About half of this was returned before Dec. 31, and the remainder in January. Thus, certain sections of the balance sheet saw temporary declines from the 1952 statement, among them the cash items, and the unearned premium reserve, which went from \$3,924,054 to \$3,429,172.

Total assets declined \$275,792 and now amount to \$9,462,207. However, Morton T. Jones, president, said the present underwriting program will result in a larger retention of net lines than has been possible in the past. In 1953, the percentage of losses incurred to premiums earned were 59.36% compared with 52.8% the year before.

Mutual Casualty Assn. Elects at New York City

Assn. of New York State Mutual Casualty Companies elected the following officers at its annual meeting at the association office in New York City: President, Joseph P. Craugh; vice-president, Edwin A. Cook, secretary and assistant to the general manager of Interboro Mutual Indemnity; general manager, Michael J. Murphy; secretary-treasurer, Miss Emma C. Maycrink.

Companies elected to the governing committee until 1957 were Lumber Mutual Casualty, Merchants Mutual Casualty and Utica Mutual.

Old Fire, E. C. Policies May Conform to New Ark. Rates

All insurance policies written in Arkansas prior to the dates of the fire and E.C. orders of Dec. 14 and 21 respectively may be endorsed to the new rates pro rata at the next anniversary dates of such policies if assured so desire, according to a filing made by Arkansas Inspection & Rating Bureau with the Arkansas department.

Both fire and E.C. rates must be adjusted if any adjustment is made, bureau officials said. Fire rates were reduced in December while E.C. rates were increased by about 25%. An optional \$50 windstorm and hail plan was created at that time as an alternative to full coverage.

Pro rata adjustment on anniversary dates originally was advocated by the conference committee of Arkansas Assn. of Insurance Agents and subsequently was adopted by the bureau.

Houston Surety Assn. Meets

Houston Surety Assn. at its regular monthly meeting heard R. C. Cushman, manager of the Dun & Bradstreet office there, analyze the service his organization gives to the surety industry, as well as highlights of the present trend of business. There was also an open forum on recently released excess blanket bonds, forms 27, 28 for commercial banks. W. S. Price, association president, presided at the meeting.

Agents Sponsor Driver Training

Assn. of Lowell (Mass.) Insurance Agents has taken full charge of a student driver program and is providing the automobile used for training as well as the insurance. James Cantor, association president, is in charge of the program.

Jones & Jones and George E. Richardson, two of the oldest insurance agencies in Aberdeen, Wash., have combined. The business will operate as Jones & Jones. Mr. Richardson has owned and managed his agency for over 25 years. The Jones & Jones agency was started in 1914 by Frank G. Jones. R. G. Lasell is now president.

To Ask for Rehearing of Liquidation Ruling

NEW YORK—Superintendent Bohlinger of the New York insurance department through counsel will ask the state court of appeals to rehear the Zanger case. Recently the court ruled that Aaron Zanger, a New York City broker, need pay to Mr. Bohlinger as statutory liquidator of Preferred Accident only the earned premiums of those amounts which, at the time Preferred Accident was ordered liquidated, remained in Mr. Zanger's hands. Mr. Bohlinger contends that the entire amount should be turned over to the liquidator.

The case was carried to the state's highest court by Charles P. Butler, attorney for the brokers joint council of New York City acting for Mr. Zanger.

Seymour in W. Virginia

E. J. Seymour, president of National Assn. of Insurance Agents, met with members of the executive committee of West Virginia association at a luncheon in Charleston. While in Charleston, Mr. & Mrs. Seymour were guests of Mr. & Mrs. Frank R. Bell, Sr. Mr. Bell is a past-president of NAIA, and is head of the Charleston agency of Patterson, Bell & Crane.

Employers' Agents' Schools

Employers' group is planning two schools for agents at the Boston office under the instruction of members of the education department. The 7-week schools will be April 12-May 28 and Sept. 13-Oct. 29.

Harry Perkins, manager of Underwriters Adjusting and Mortimer Hastings, manager of Western Adjustment, were the speakers at the Jan. 11 meeting of Evansville Assn. of Insurance Agents, discussing coverage, or lack of it, they have observed in the process of loss adjustments.

LEADERS ALL

2: GEORGE ROGERS CLARK



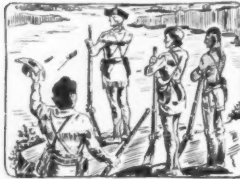
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Tells Headaches of Transferring Group A. & H. Insurers

Fred W. Clark, associate actuary of Lincoln National Life, addressing the group meeting of H&A Underwriters Conference at Chicago, took up some of the headaches on underwriting transferred risks, listing some of the items the underwriters must be on the lookout for.

When taking over a risk from another company, the underwriting is essentially the same as taking on new business except that it is necessary to evaluate the previous insurer's experience. This contains many aspects of renewal underwriting, but it is by no means parallel.

The assuming company sometimes has difficulty getting a complete and authentic history. The present insurer is reticent for competitive reasons to go out of its way to make it safer and easier for another company to take the business, and the employer might be hesitant, either because he is not seriously interested in the change proposed by the agent or because he does not understand the necessity for providing the information. There are cases of intentional withholding or distortion of facts, so that the biggest problem is to obtain adequate information that is known to be reliable.

The agent presenting a request for a new proposal customarily gives assurances of his conviction that there is really no need for any higher rate than what has been paid, that the whole problem can be cured by increasing the enrollment percentage, or by making certain proposed changes in the plan of benefits, and by revising certain administrative procedures. These are important considerations, but Mr. Clark said that experience has taught that the beneficial aspect of them is greatly over-estimated most of the time.

Frequently, part of the request to assume a transferred risk includes the suggestion that the new company duplicate the benefits or administrative procedures of a present insurer. Aside from this sometimes meaning extra work, Mr. Clark said there is the question of why an employer is even considering a transfer when he is so pleased with what he has.

"The realistic underwriter seeks the true motivation for the transfer," Mr. Clark observed, "because such an insight is a great help to him in evaluating the risk. The true motivation is not necessarily the reason given by the agent and in fairness to the agent, I think we should say that the agent himself is not always aware of the real motivating influence."

Then there is the possibility of the agent being interested in the commission angle, ignoring any ethical aspects in this line. Mr. Clark said a company confronted with this as a motivation might well ask itself how long it would keep the business, even if successful in writing it.

The most frequent reason for transfer inquiries these days is the hope of avoiding a rate increase. The careful underwriter never forgets that the present insurer is in a position to know a good deal more about the case than anyone else.

Most employers are reasonable business men who expect to pay their own way and understand the necessity for paying higher rates when loss ratios

increase. They agree that the insurer should get a modest profit, but this does not hold true in all cases, and may be less prevalent in union controlled cases than in employer controlled cases.

Finally, there is a problem if the insured wants continuity of coverage under which the new insurer is asked to provide immediate maternity benefits, usually without extra charge. If granted, this might be the making of a sale, but where the money would come from to pay the extra claims is another matter. Another problem is providing pro-

tection for all employees covered by their former insurer whether or not they are currently actively at work.

New Gay & Taylor Office

Gay & Taylor insurance adjusters of Winston-Salem, N. C., has opened its fifth office in Virginia at 207 Pulaski Office building in Pulaski. Other Virginia offices are located in Bristol, Lynchburg, Farmville and Petersburg. Samuel D. Johnson will head the new office. He has had seven years experience in insurance claims and loss work.

Conn. Agents Get Man to Push Safety Plan

A full-time employee, Ray Choate, has been appointed to take charge of the Citizens for Safety program of Connecticut Assn. of Insurance Agents.

To augment the enrolling of members in the program, the association has lowered the dues to \$1 a year for a family and has removed the requirement that each member must display a safety tag on his car. The plate will be replaced by a small window sticker for members who do not wish to display the tag.

Our 25 YEAR Agents tell their story.....



FRED C. COREY

Fred Corey is one of those rare beings — a "native son" of California, having been born in Pacific Beach in that state. He attended public schools in La Jolla and San Diego and graduated from the University of California.

He started in the insurance and real estate business in April, 1928, with a partner. The partnership was dissolved in June, 1936 and since that time he has operated by himself under the name of Fred C. Corey doing business as La Jolla Securities Company, the firm name under which he originally started.

Back in the days when Fred first began representing us, Texas companies didn't stand too high in California and it is gratifying to know that he had the courage to accept our contract and to stay with us all these years. Fortunately, the attitude of Californians is very different today.

FRED C. COREY

REAL ESTATE - INSURANCE

939 Silverado St.

P. O. Box 189

Telephone Glencove 5-2156

LA JOLLA, CALIFORNIA

I have represented the Gulf Insurance Company for 25 years and I feel that their interest and cooperation helped to increase my business year by year.

The personnel of the Gulf are courteous and the service excellent, and your representatives have always been most willing to assist me with any problems that arose.

I have two sons associated with me. It is my fond hope that they will carry on the business I started for many, many years.

In the very near future I plan to erect my own building as I know we will need more space. La Jolla is a rapidly growing community which, of course, will mean more business for everyone.

Fred C. Corey

GULF INSURANCE COMPANY
ATLANTIC INSURANCE COMPANY



FIRE AUTOMOBILE INLAND MARINE

Auto Cancellation Procedure in Mass. Under Legislative Fire

Bills concerning cancellation of compulsory auto and the board of appeals which passes on cancellations were discussed before the Massachusetts legislature's committee on insurance by a group of legislators and company counsel.

Three bills applying to cancellation by insured, the company and any cancellation, and one requiring the return of license plates before cancellation can take place are pending in the Massachusetts legislature.

Sen. Glovsky, in defending the bill applying to any cancellation, said the object of compulsory is to protect the public and that usually there are about 1,000 cars on the road on which the compulsory has been cancelled.

Opposing the bills affecting cancellation by the company were Arthur C. Conley, counsel for Insurance Federation of Massachusetts, and Edward F. Connelly, counsel of American Mutual Alliance.

To make any of these bills effective

the police power of the registry of motor vehicles would have to be given to the insurance companies, Mr. Connelly said. No company in its right mind would invade the private property of the insured to break into his garage and remove the license plates from his car.

Roland Parker of the registry said that it is being used as a collection agency by premium finance companies. He said that 13,841 notices of cancellations were sent out by premium finance companies in 1953. There were 3,000 unregistered and uninsured vehicles on Massachusetts highways in 1951 and 2,600 of these license plates were picked up by the registry, he said. In 1953, 7,000 plates were picked up by the registry and 2,600 were voluntarily returned, but 2,800 were not found.

On the question of the appeal board, bills in the legislature would replace the board by either turning its jurisdiction over to district courts or by forming a new board.

The lawyers argued that changing the jurisdiction of the board to the district courts would cost more than \$1 million a year. They defended the

board by saying that on the whole they had been fairly treated in cases they had brought before it.

Joseph LoPresti, in supporting the bills abolishing the appeal board, argued that since it is made up of representatives of the commissioner, the attorney general and the registrar of motor vehicles, it is bound to be subservient to those officials.

CIO and AFL Leaders Give in on State Fund

BOSTON—After six years of battling for an unlimited state fund for workers' cash sickness benefits, CIO and AFL leaders have said they would settle for a plan for a public fund covering only those workers not protected by private funds. Albert G. Clifton of the CIO and Kenneth J. Kelley of the AFL said they would settle for the abbreviated plan if they couldn't get more.

Nashville Agency Ups Dunn

Davis & Corson of Nashville has promoted Paul E. Dunn from assistant manager of the bonding department to assistant manager of the agency. He has been with the firm since 1931.

Republic of Dallas Reviews 50 Years

Republic Ins. Co. of Dallas has issued a handsome monograph—"The Republic Story"—of its history to commemorate its Golden Anniversary in the business. The well designed, 192-page, hard-cover volume, with its numerous line drawings and half tones is not only a thing of beauty typographically, but it carries the reader over a romantic area in the life insurance business in early Texas, as well as in American history and progress.

The monograph—50 years in the making and 11 months in production—is also the life history of the Jalonicks, the founders of the company. Many other personalities are also woven into the story, of which the author, Jean Roberts, says: "This is not a story told by one individual; it is an accumulation of memories which covers half a century. Many people helped bring it to life—some with recollections, some with records, some with research material."

The annual meeting of American Assn. of Managing General Agents is May 17-19 at Old Point Comfort, Va.

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APPLETON, WISCONSIN

Fire and Casualty Insurance

COMMENTS - TRENDS - OBSERVATIONS

Details of N.Y. Insurance Show Huge Growth Since 1940, Rise of Mutual Share

Speaking at the Garden City, L.I., regional meeting of Mutual Agents Assn. of New York State, Walter F. Brooks, deputy superintendent of insurance, detailed the growth of insurance in New York state since 1940 and brought out a number of interesting points.

Premiums of fire and casualty companies have increased from 400 million in 1940 to \$1½ billion in 1952. During the war years, premiums fell off, but began gaining in 1945 and have risen steadily.

It is significant, he said, that in 1951 the premiums written by fire and casualty companies for the first time exceeded life and A&H premiums written by life companies. And at the end of 1952, they were leading by 4%.

Reasons for this tremendous up-trend are increases in coverages, rates, number of motor vehicles and the financial responsibility law which required many more motorists to procure insurance.

In 1940, mutual companies wrote 22% of the premiums, in 1952 they wrote 26%. In 1952 mutual companies wrote as large a volume as all types of fire and casualty companies wrote in 1940—\$300,000.

There were 84,000 licenses issued in 1944 to fire and casualty agents. Of these, 9½% were for mutual companies. Of the 91,000 licenses issued in 1952, 13½% were for mutuals. This is a 50% increase in the number of mutual agents licensed and a 3% increase in licensed stock agents. Although the number of licenses is not conclusive, it does indicate the activity in appointing agents.

Of the 1,700 applicants in 1952 who took fire and casualty examinations to become stock company agents, 45% passed, while of the 700 mutual agents tested, 58% passed. Thus, 35% of the new agents recruited by fire and casualty companies were sponsored by mutual insurers.

Mutual companies have 13½% of the agents licensed, write 26% of the premiums, and are recruiting 35% of the new men coming into the business and, apparently, they have been trained 13% better, judging by examination results, he said.

As of June 1953, there were 29,539 licensed producers, 17,697 of them fire and casualty agents.

Many producers hold multiple licensing authority and are licensed not only as brokers but also as agents.

It appears there is a trend toward multiple licensing authority of producers since in many instances fire and casualty agents take out brokers licenses, apparently because of the tight market in the casualty field.

Sometimes brokers go into the life and A&H business to stabilize their insurance income and A&H agents are becoming brokers and fire and casualty agents so they can service the all-around insurance needs of their customers.

In the property insurance field, 42,025 agents wrote \$1,204,081,230 worth of premiums for total earnings of \$220 million, or \$5,200 each.

Insurance Study Grants Available at Penn. U.

The enlarged fellowship and scholarship program of the Huebner Foundation for Insurance Education will be continued during the 1954-55 academic year at University of Pennsylvania.

The fellowships and scholarships will be awarded primarily to aid teachers in accredited colleges and universities or persons contemplating a teaching career to prepare, on the graduate level, for insurance teaching and research.

Basic grants covering the normal academic year range from \$1,000 to \$2,400 depending on the qualifications and circumstances of the applicant. Additional grants during summer months are available as well as other aid for research projects and special situations.

A candidate for scholarship must have a bachelor's degree and certify his intention to become an insurance teacher and promise that he will major in insurance for a graduate degree. He must also agree not to engage in outside work during the period for which he holds the grant without consent of the administrative board. He must also have had at least one year of satisfactory graduate work.

It is expected that 17 such grants will be made for the year.

Information concerning the grants is available from the foundation's executive director, 3620 Locust street, Philadelphia.

Son Wrecks Father's Car. Covered as Vandalism

An insured's 20-year old son who had suffered from dementia praecox, took his father's automobile without permission while under the influence of alcohol, drove at an excessive rate of speed up to 100 miles an hour, finally wrecked the car, and committed an act of vandalism, it was held in Great American vs. Dedmon. The case was decided in Alabama supreme court and affirmed a lower court decision. It was held that the issues of the boy's capacity to commit a wanton act, as well as whether this act constituted vandalism were questions of fact for

the jury. The trial court had defined vandalism as any unusual destruction wrought in the doing of a wrongful act. The case is reported in 5 CCH (Automobile) 660.

Great American appealed the trial court decision, and the supreme court said the decision depends upon the construction of the word vandalism as used in an insurance policy. Great American insisted that in order to constitute vandalism there must be a specific intent to injure or destroy the article involved, in this case, the automobile.

The insured said vandalism could be defined as damage of something as a proximate result of a wanton, unlawful act, done with a reckless and gross disregard of consequences. To support the position, he cited the circumstances that the driver of the automobile was driving without the owner's permission, was driving while under the influence of liquor and was driving at an excessive speed. Great American then raised the point that the insured's son did not have the mental capacity to commit a wilful or wanton act.

The supreme court said it did not feel it could construe the word vandalism in its narrowest sense, but that the proper construction should be such as is considered in the popular mind. The jury properly could have found wantonness from the circumstances attending this accident.

Anniversaries for 21 Companies in 1954

Centennial anniversaries will be observed by two fire and marine companies, Northern Assurance and Phoenix of Hartford, this year. Fiftieth anniversaries will be celebrated by British General, Eagle Star, International Fidelity and National Casualty.

Companies observing 25-year anniversaries are American Policyholders, American States, Atlantic of Dallas, Bankers F. & M., Church Properties Fire, Citizens of New Jersey, Gibraltar F. & M., Kansas City F. & M., Monarch Fire, Ohio Farmers Indemnity, St. Louis F. & M., Seaboard F. & M., Selected Risks of New Jersey, Service Fire & Zurich Fire.

Advocates Deductible A&H

Governor Goodwin J. Knight of California told a news conference that he advocates private health insurance plans written with \$50 or \$100 deductibles on the same theory as automobile collision policies. If private insurance companies can't handle this load he told the reporters, he is in favor of setting up a non-competing state medical insurance fund which would offer policies on a strictly voluntary basis. He described his idea as better than that of President Eisenhower, who has proposed a system of government reinsurance of private medical plans.

MO. FIELD MEN HAVE FIRE PREVENTION EFFORT IN HIGH GEAR

Missouri Fire Prevention Assn. has had a shot in the arm with the use of fire prevention messages over radio and television outlets. The association hopes to reach 4 million people by this means.

One of the local stations at Kansas City is plugging fire prevention five days a week on a disc jockey program.

In addition, on this program a member of the association appears for an informal interview from time to time. The same radio station also has a program beamed to rural areas once a month, and once a month one of the field men appears on television over two stations.

These programs have met with a good deal of enthusiasm on the part of the membership and the field men are becoming more active in fire prevention. One of the ways in which this has shown up is in the inspection at Carrollton, the most successful the association has had. There was more publicity than ever before on radio and television and in the newspapers, and the response on the part of the townspeople was surprising. Although this inspection lasted only one day, a program for the whole week was set up by the field men.

Among the activities was the crowning of "Miss Flame", a redheaded student at the University of Missouri. The Carrollton fire department sponsored an essay contest. Two wrecked automobiles were displayed at strategic locations with appropriate signs. The movie, "Crimes of Carelessness", was shown for one week at one of the theaters. A loudspeaker was placed in a trash can at a strategic location and was going full blast eight hours a day for one week. A thermometer was placed on the city square to indicate the decrease in fires in Carrollton over the last 20 years. In connection with the town inspection, the telephone company had its operators say before number please, "This is Fire Prevention Week." A fire truck with an appropriate banner paraded around town during daylight hours. The clergymen in their sermons devoted a portion of their remarks to fire prevention. School children made placards which were placed around lamp posts and fire plugs.

The moving spirit in this endeavor is Fred Baackes of Security of New Haven. James S. Siddall, National Union, is president of the association.

\$100,000 Yacht Club Fire, Coverage \$33,500

Only \$33,500 worth of insurance was carried on the Port Washington, L.I., yacht club which was destroyed by fire. Estimated damage to the two story frame building and its contents, which included hundreds of gold and silver cups and models of racing yachts, was \$100,000. Insurance coverage included \$29,000 on the building and \$4,500 on contents.

WANT ADS

Rates—\$18 per inch per insertion—1 inch minimum. Limit—40 words per inch. Deadline 5 P. M. Friday in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

THE NATIONAL UNDERWRITER

WANTED AGENCY SECRETARY

For an aggressive and fast growing young company situated in the middlewest. Excellent opportunity for an energetic and capable young man between ages of 25 & 50. Duties consist of the supervision & handling of agents' contracts, licenses, club contests and other general correspondence. Excellent opportunity for advancement. Insurance background not absolutely necessary but desirable. Salary commensurate with experience. Insurance benefits, paid vacations, etc. Address W-64, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

NORTHEASTERN OHIO

We want an aggressive man between the ages of 30 and 40, with outstanding record as a producer to assist in management of a large old established agency writing all lines. Must be qualified to service our present accounts and develop new business. This is an unusual opportunity for the right man with character, proven ability and ambition. State age, experience, marital status and other pertinent confidential information. Address Box W-48, The National Underwriter, 175 West Jackson Blvd., Chicago, Illinois. Our personnel have knowledge of this ad.

General Agent in Ohio city of 100,000 population, with large solicitors staff desires General Agency agreement with fire, casualty and surety company. Large volume assured. Reply to Box W-50, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

AVAILABLE

A top casualty and fire adjuster in St. Louis area who prefers to remain there. I have 30 years experience in management and field adjustments. Presently employed but desire change. Salary requirements \$6500.00 Address W-52, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

MATERIAL DAMAGE ADJUSTER

For an Indianapolis agency using Retrospective Insurance companies. Unlimited opportunity for advancement in adjustment and selling. Salary open; insurance benefits; paid vacation. No traveling. Address reply stating qualifications and experience to Box W-59, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED TO BUY—Insurance Agency underwriting fire and miscellaneous lines in the Middle Eastern or South Atlantic States. Virginia, North Carolina, South Carolina or Northern Florida preferred. Responsible party. Address Box W-62, c/o National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

ASSISTANT LOSS SUPERINTENDENT ASSISTANT EXAMINER

For Western department of an aggressive stock fire company group. Chicago location. Liberal company benefits offered. Salary commensurate with experience and ability. Address V-23, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

GENERAL AGENTS CONSIDERED

Mid-West Multiple Line stock company writing general casualty, fire and allied lines at board rates invites inquiries from General Agents interested in Indiana, Mississippi and Wisconsin. Address Cimarron Insurance Co., Inc., Cimarron, Kansas.

VICE PRES.—CLAIMS MGR.

ARE YOU LOOKING FOR A MAN?

To cover Special Assignments,
To supervise litigation,
To train claims personnel,
or Special asst. to claims Mgr.

WHO HAS

Education—Bachelor and Law degrees
Admitted—Bar in two midwest states
Experience—Several years adjusting,
subrogation and trial work, eight
years claims examiner and asst.
claims Mgr. at Home Office.

Personal—Now employed, married, no children.
IF SO, address W-54, The National Underwriter
Co., 175 W. Jackson Blvd., Chicago 4, Ill.

CLAIM MANAGER

Needed for downstate Illinois branch claim office, primarily auto casualty adjusting. Must have experience in property damage and bodily injury adjusting. Opportunity for advancement. Address W-37, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

CASUALTY CLAIM MANAGER

New York multiple line stock company starting casualty operations seeks man fully experienced in automobile liability to organize the department. State age, experience and qualifications in full confidence. Reply Box 754, National Underwriter, 99 John St., New York 38, N. Y.

WESTERN-KENTUCKY

Multiple line Midwestern Stock Co. has agency openings for Western Ky. General Agents commissions paid. Address W-51, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

SPECIAL AGENTS KENTUCKY—INDIANA

Experienced Multiple line field men for above states needed by Midwest company. Write fully giving age, past experience, education and salary requirements. Reply Box W-56, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

CHICAGO OPPORTUNITY

Excellent future in Marine Department of large Chicago agency for aggressive young man. Marine experience necessary. Detailed résumé required with first reply for our confidential appraisal. Salary open. Write—W-61, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

FLORIDA AGENCY WANTED

Have cash for fire and casualty agency southern or central section. Am 37, excellent health, 15 years company and agency experience. Excellent references. Interview appreciated. Address W-63, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED

California special agent or local agents. Excellent opportunity with deviating mutual fire company for field man or local agencies. Liberal commission for agents, salary and car for Special agent. Reply—A. J. Kelly, Farmers Home Mutual Insurance Company, 3801 First Avenue So., Minneapolis, Minn.

FLORIDA AGENTS

Fieldman desires connection with Insurance and Real Estate office. Could invest. Best references. Address W-66, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

Reject Plan to Change N.C. Hospital Assn. to Stock A&H Insurer

A proposal to convert State Hospital Assn. of Tarboro, N. C. from a hospital service corporation into a stock A&H insurer was rejected by Commissioner Gold after a public hearing.

Mr. Gold said he felt an acceptable conversion plan could be submitted, but he could not approve the one offered by the association. In its suggestion for allocating fractional rights in preferred stock to its 10,000 certificate holders, the proposal failed to offer them adequate protection for their rights in a \$143,000 reserve which has been accumulated.

He also asserted the association had neglected to include in its notices to certificate holders certain information concerning the stock allocation plan which he regarded as necessary.

At the time he rejected the plan, Mr. Gold cleared Larry P. Eagles, association president, and Jenness R. Owens, secretary, of charges of mismanagement as stipulated in a petition by Mrs. Barbara P. House of Rocky Mount, widow of the association founder and former president of the corporation.

Axford to N. Y. Claim Office of Aetna Fire Group

C. A. Axford, manager of the liability claim department of Aetna Fire group at Hartford, has transferred as an assistant manager of the casualty claim department in the New York metropolitan department.

He joined Standard Surety & Casualty in 1929 at Pittsburgh as manager of the claim office, transferred to Chicago as manager of the claim department and then to New York City as manager of company claims. When Aetna Fire purchased Standard Surety in 1941, he went to Hartford as manager of liability claims.

PHD Rates Up in W. Va.

West Virginia has approved, effective Feb. 15, changes in rates and rules filed by National Automobile Underwriters Assn. which will produce an annual increase of \$348,000.

Private passenger fire, theft, etc., rates are reduced about 9%; \$50 deductible collision increased 11%, and \$100 deductible decreased 8%. A new 3-class plan has been adopted.

A new light commercial classification for vehicles with a load capacity of 1,500 pounds has been established entitling such vehicles to local hauling rates.

Commercial local hauling fire, theft, etc., rates have been reduced 19%, collision increased 2%. Commercial intermediate and long distance fire, theft, etc., rates are reduced 25%; \$50, \$100, \$250 deductible reduced 19%. Long distance \$250 deductible collision is up 10%.

Region VIII Women to Meet

Region VIII of National Assn. of Insurance Women will hold its convention at the Multnomah hotel, Portland, Ore., Feb. 26-28. Mary Maggett is convention chairman and Mrs. Made Drummond, Oakland, will preside at business meetings. President is Merylen Cohn, Portland.

National Fire Specials

National Fire has named Neil H. Alderman and Frank M. Hogerty, Jr., special agents to serve in western Massachusetts and Connecticut. Both have been in the home office several years and have had special training in multiple line operations.

J. L. Maehle, 45-Year American Surety Veteran, Retires

J. L. Maehle, resident vice-president at Chicago of American Surety, and a 45-year veteran with that company, has retired. He is dean of the bonding business in Chicago, having joined American Surety at Chicago in 1909. He became manager in 1919, and in 1951 he was appointed resident vice-president.



J. L. Maehle

Mr. Maehle is a member of the Illinois Bar, and a former president of Surety Underwriters Assn. of Chicago. He has been active in a number of Chicago civic clubs and organizations.

A luncheon was given by Mr. Maehle's associates in his honor Wednesday at the Union League Club.

Protection Group to Hear Slattery at Chicago

Chicago chapter of Society of Fire Protection Engineers will hold its next meeting Feb. 15 at the Midland hotel. This will be a luncheon, and the speaker will be W. P. Slattery, president of the W. P. Slattery Co., who will discuss "Fire Retardant Coatings."

The chapter has appointed committee heads for 1954 and they are: Executive, Thomas J. Ocasek, Rollins Burdick Hunter; education and publicity, William G. Laves, Illinois Tech; membership, Charles M. Rolley, American Manufacturers Mutual, and program, Morton E. Luber of RBH.

Jertson Goes Independent

John O. Jertson, for 15 years claims supervisor for American of Newark at Detroit, has joined P. G. Roger Co., Inc., adjusters, in that city and will be located at the branch office, 18510 James Couzens highway. Prior to his previous position, Mr. Jertson was state agent for American for many years.

Sponsor Rating Course

Portland and Oregon associations of Insurance Agents and Insurance Women's Assn. of Portland are sponsoring jointly a 36-hour college accredited introductory course on office procedure and rating. Classes began at Portland at Multnomah College and will meet each Thursday evening. Tuition is \$25.

American Names Laudan

James A. Laudan has been appointed marine supervisor in the southwestern department of American group.

"Nite Ray", a program to make Columbus, O., children visible to motorists after dark, was created jointly by the Columbus Citizen, Radio Station WRDF and Farm Bureau Ins. Co. Since its inception Oct. 30, the campaign has provided 30,000 free strips of "Scotchlite" brand reflective tape to be sewn on the jackets and coats of Columbus children.

Sheboygan County (Wisconsin) Insurance Agents Assn. has elected Adolph S. Imig as president; William Zeinemann, vice-president; Frank J. Bersch, secretary and treasurer. The organization now has 29 members.

Continental Casualty Hits Highs in Assets, Surplus, Premiums

New high totals of assets, surplus and volume of business were registered in 1953 by Continental Casualty. For the first time the company has consolidated with its figures those of its subsidiary, Transportation Ins. Co.

Consolidated operating profit of Continental Casualty before income and excess profits taxes was \$13,393,873, consisting of underwriting profit totaling \$8,694,502 and net investment income of \$4,699,371. After deduction of minority shareholders' interest in the subsidiary, and after provision for U.S. and Canadian income taxes of \$5,620,000 and for U.S. excess profits taxes of \$1,365,000, there remained net income from operations of \$6,408,842.

Consolidated net premiums written totaled \$142,369,489, an increase of \$26,520,784. Consolidated assets increased \$25,137,525 to a new high of \$198,657,041. Capital amounted to \$62,517,557, a gain of \$4,498,890.

Directors of Continental Casualty declared a dividend of 65 cents per share payable March 1 to stock of record Feb. 15. The quarterly rate last year was 50 cents per share.

Lubkert Named V.P. of Atlantic Mutual

Harry K. Lubkert has been elected a vice-president of Atlantic Mutual and Centennial. He will continue as comptroller.



H. K. Lubkert

He joined Atlantic in 1935 in the accounting department and subsequently was named supervisor of the department, assistant comptroller and comptroller. He is a member of the Insurance Accountants Assn., and of the uniform accounting committee of the American Institute of Marine Underwriters.

Donovan at Conn. CPCU

James B. Donovan, general counsel of National Bureau of Casualty Underwriters and member of the New York City law firm of Watters & Donovan, spoke on perennials of tort litigation, including loading and unloading, caused by accident, and care, custody and control, at the Connecticut CPCU chapter. The meeting honored the 10th anniversary of the CPCU.

Consider D. C. Tax Hike

WASHINGTON—Fiscal groups of congressional committees on the District of Columbia have taken under consideration testimony and written statements of local insurance interests who oppose an increase from 2 to 2½% in the D. C. tax on premiums. This, it has been estimated, would yield \$500,000 additional revenue annually to help pay for a huge public works program.

Edward J. Schmuck, general counsel of Acacia Mutual Life, spoke as chairman of a joint committee representing all domestic insurers and presented a statement on behalf of Acacia. Other spokesman was David Kreeger, general counsel of Government Employees Ins. Co. Statements were filed by a number of domestic companies.

The committee permitted Mr. Schmuck in his testimony to present

the views of the industry committee and the life industry in particular, as well as Acacia's. Mr. Kreeger presented the views not only of his company, but also of other casualty and fire insurers.

The hearing committee asked many questions of Mr. Schmuck and Mr. Kreeger which appeared to indicate a disposition to accept the validity of insurance counsel arguments against the proposed increase. Those arguments were largely based on the proposition that if the D. C. tax is raised to produce \$500,000, the companies will have to pay many times that amount in taxes to 32 states which have retaliatory laws.

Tri-State Convention Program Is Ready

Tri-State Mutual Agents Assn. will have its ninth annual convention March 12-13 at Baltimore. Program speakers include Harry E. Uhler, Baltimore, president of National Association; Paul S. Wise of American Mutual Alliance; James O'Connor, executive editor, *Fidelity, Casualty & Surety Bulletin*; and Frank Drake, sales consultant.

A banquet will be given Friday evening and the convention will end with

a luncheon Saturday after election of officers and a Sparks Club program.

NAIC Blanks, Accounting Committees to Meet in N.Y.C.

The blanks committee of National Assn. of Insurance Commissioners will meet at the Hotel Commodore, New York City, April 5-7. There also will be a meeting April 5 of the uniform accounting sub-committee.

The Robinson & Julien local agency has opened in Jackson, Miss.

Is your office bossing YOU?



Are you a slave to business routine? Have you been snowed-under by paper work? Has red tape made you frustrated, desk-bound, profit poor?



If so, you've got plenty of company . . . insurance people everywhere!



To hold your own in today's highly competitive market, you've got to provide your present clients with outstanding service . . . you've got to be free to explain coverages to new prospects. *But that takes time!*



If you can't find that time . . . if your paper work seems never to end . . . if you haven't been out of the office in weeks . . . if a description of your profits is "just getting by", then it's a *must* for you to read R. B. Apperson's fresh, new ideas in his Hartford Agent article, *How To Keep Your Agency From Managing You*. Just drop us a line, and we'll be glad to send you a reprint!



Hartford Fire Insurance Company
Hartford Accident and Indemnity Company

Hartford 15, Connecticut

Complete Program for IAC Seminars March 1

The program now has been completed for the Insurance Advertising Conference seminars to be held March 1 at the Savoy Plaza in New York. Alwin E. Bulau, assistant secretary of Home, will moderate the morning session on how to evaluate advertising—general magazines, trade magazines and direct mail.

A second, simultaneous seminar will be held on how to bring the advertising department in closer relationship with

the production departments, and for that Harry V. Carlier, assistant secretary of Northern Assurance group, will act as moderator.

In the afternoon, one seminar on "Are companies missing the boat on publicity in connection with losses?" will be moderated by Alden M. Taylor, advertising manager of Phoenix of Hartford. The second, on closer agency and company relationship through co-operative efforts, will be handled by William J. Traynor, assistant secretary and advertising director of North British group.

New Branch of Aetna Opens in Charlotte, Givens Is Manager

A new branch office of Aetna Casualty will open April 1 in Charlotte, serving North and South Carolina. It will be in the Addison building, 222 South Church street.

In addition to the new casualty office, all other facilities of Aetna Life companies will be in the building, including Edward J. West general agency of Aetna Life and a new marine service office of Automobile and Standard Fire.

The four companies plan to staff the new offices with approximately 150 employees.

The new Charlotte office will provide improved and more direct service for Aetna representatives and their policyholders in the 2-state area, where the company's business has nearly tripled since the second world war.

A. C. Givens, manager of Aetna's Wheeling (W. Va.) office for 18 years, has been named manager at Charlotte and will supervise organization work.

The new marine office of Automobile and Standard Fire will handle marine operations in North and South Carolina. It will be supervised by State Agent John G. Easton, Jr., formerly marine special agent at Atlanta. In addition, the companies' fire special agent, Henry D. Stoneham, now in the Liberty Life building in Charlotte, will move to the new offices. Edward J. West general agency, which handles life, group and A&H will move from its present offices at 112 South Tryon street.

Also located in the new offices will be the claim, safety engineering and payroll audit departments.

J. H. Pleus Is President of Manitowoc Mutual

Junias H. Pleus has been elected president of Manitowoc Mutual Fire, Wisconsin. Mr. Pleus, who succeeds Joseph P. Stahl, retired, has been secretary of the company for 30 years. Paul H. Pleuss, special agent and field supervisor, has been appointed secretary.

Niagara Falls Board Elects

Niagara Falls (N. Y.) board elected Kenneth R. Houlihan president; William W. Warren, vice-president; Alex L. Porter, secretary; and Frank J. Ripple, treasurer. New directors are W. Ransom Rice, Mr. Ripple and Mr. Warren.

Philadelphia Women's Party

Women's Insurance Society of Philadelphia will celebrate its eighth an-

niversary and bosses night party with a banquet there Feb. 23. A social hour will be followed by dinner with Dorothy M. Smith, president, welcoming the guests.

Robert L. Kinzig, co-counsel of the House un-American activities committee, will speak. Honored guests will include Commissioner Leslie of Pennsylvania and Dorothy Downes, director of Region 1, National Assn. of Insurance Women. Eleanor A. Smyth, chairman of the anniversary party committee, will act as MC and introduce the guests.

Name Judges for IAC Agency "AD" Awards

The judges have now been named for the awards program of Insurance Advertising Conference. Judging of entries from agents will be held in Chicago, and the judges are Walter M. Sheldon of Chicago, immediate past president of National Assn. of Insurance Agents; Norman H. David, Jr., executive engineer and director of public relations of Underwriters Laboratories; Richard C. Budlong, editor and vice-president of *The Local Agent*; Charles C. Greene, vice-president and director of Doremus & Co., advertising agency, and James C. O'Connor, editor of the *Fire, Casualty & Surety Bulletin*.

The awards themselves will be presented at the annual meeting of IAC to be held at Montauk Manor, L. I., in June. The grand award winner will be guest of the conference with all expenses paid and with an honorary membership in the IAC. The winner in each of five categories will be a guest of the conference with hotel expenses paid at the presentation meeting.

Entries should be postmarked not later than March 1.

Heads Philadelphia Mfrs. Mutual

Philadelphia Manufacturers Mutual has elected John V. Russell president, John C. Rieg 1st vice-president and engineer, Joseph H. Schurch, vice-president and engineer, and Calvert C. Hopson assistant secretary and engineer.

Insurance Institute of Canada has been incorporated with the following insurance men: Andrew S. Knight, Alfred Campbell, Charles Curtis, James Richardson and W. E. Baldwin of Montreal; Norman Bethune, A. S. Hamilton, Ralph Sketch, W. C. Butler and James Mylrea of Toronto; John, Jack and D. M. Young of Winnipeg; and H. W. Winter and W. G. Stott of Vancouver.

Leo J. Carlin, Jr., special agent of Continental, spoke on time element coverage at the meeting of Insurance Women of New Jersey.

Farmers of Los Angeles has been licensed by Louisiana.

It's Smart to get to know PEARL-AMERICAN

WHERE THE "PROMISE" LIVES UP TO THE "PITCH"



Sometimes it seems all you have to do is talk. And if you talk fast enough, or loud enough, or long enough, you sometimes write a nice piece of business.

It's a lot easier to do more business, more consistently, if you know the "pitch" you're making is something more than just empty promises.

People catch on awfully quickly these days.

The only selling "pitch" we make here at Pearl-American is this:

Behind every Pearl-American broker and agent are the facilities of one of the world's greatest companies, ample assurance of close support from fieldmen and underwriters, and fast, accurate, dependable SERVICE... the kind of cooperation that helps you make more money. Make your "promise" live up to your "pitch"... profit, too... by doing business with PEARL-AMERICAN. Get to know PEARL-AMERICAN... It pays off.



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New York 6, N. Y.
CLEVELAND: 320 Bulky Bldg.
PHILADELPHIA: 330 Walnut St.
SAN FRANCISCO: 369 Pine St.
NEW YORK: 85 John St.
CINCINNATI: 1423-24 Carew Tower
CHICAGO: 175 W. Jackson Blvd.

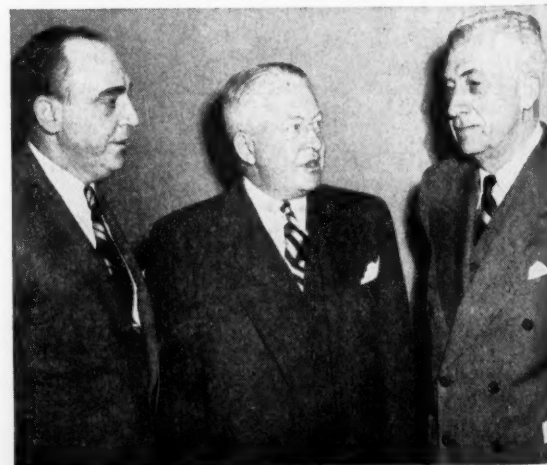
Fire and Allied Lines
MILLERS NATIONAL
Insurance Company
Since 1865

HOME OFFICE
CHICAGO 6

Eastern Department...
PHILADELPHIA
Pacific Coast Department...
SAN FRANCISCO

Since 1876
ILLINOIS FIRE
Insurance Company
Fire and Allied Lines

Albert E. Mezey, left, newly elected president of Assn. of Local Agents of the City of New York, is shown with Russell Edgett, center, immediate past president, and J. Dewey Dorsett, general manager of Assn. of Casualty and Surety Cos. Mr. Mezey is president of Mezey agency and Mr. Edgett is vice-president of Alan H. Bonito agency.



N. Y. Underwriters Ups Four at H. O.

New York Underwriters has elected Joseph Nelson and C. H. Avery secretaries, and Everett G. Bock and D. A. Kretschman assistant secretaries.

Mr. Nelson joined the company in 1922 in the accounting department and was elected assistant secretary in 1943. He is in charge of personnel, advertising, and office management. As secretary he will assume additional executive duties.

Mr. Avery in 1929 entered the business with Mississippi Rating Bureau. From 1941 to 1950 he was Alabama state agent of the company, when he was elected assistant secretary. He is presently in charge of automobile underwriting.

Mr. Bock joined the company in 1924 and after training in various underwriting departments was transferred to the loss department in 1942. He was appointed assistant superintendent of the loss department in 1949 and superintendent in 1951.

Mr. Kretschman started with the company in 1920 in the New York City department and transferred to the home office in 1926. He has been in charge of the reinsurance department and in 1951 was appointed actuary. As assistant secretary he will be in charge of all company statistical work.

Last Call for Claims

Against 2 Defunct Mutuals

Commissioner Leslie of Pennsylvania has reminded all persons having claims against either Colonial Mutual Casualty or Colonial Mutual Fire that they must file their proofs of claim with the liquidation division of the Pennsylvania department, Room 810, 1518 Walnut Street, Philadelphia, not later than March 15.

The Dauphin county court Dec. 11 ordered the companies dissolved and directed the commissioner to liquidate the business. The two companies formerly maintained offices at 310 South 69th street, Upper Darby, Pa.

Mich. Mutual Has Big Year

Michigan Mutual Liability in 1953 had its best year with premiums written of \$41,451,922, an increase of 16.1%. Workmen's compensation premiums were \$19,041,277 and automobile \$18,573,392. Other casualty lines amounted to \$3,837,252.

Surplus Line Men Elect

A. R. Krause of Arthur R. Krause & Co. of Los Angeles, was elected chairman of Surplus Line Assn. of California at the annual meetings conducted at San Francisco and Los Angeles. E. A. Tindell, Pacific Marine agency, is secretary-treasurer.

The executive committee for northern California with headquarters at San Francisco consists of W. E. Sibley, Swett & Crawford; P. Antrobus, Philip Antrobus, Inc.; B. U. Brandt, W. B. Brandt & Co.; and N. S. White, Landis, Pelletier & Parrish.

The southern California executive committee at Los Angeles consists of J. H. Collins, Victor Montgomery general agency; L. C. Friel, Jones & Whitlock, and I. S. Brander, Brander & Co.

Rollo E. Fay is arbitrator, and Thomas A. Scadden and Ross Murphy will continue as manager and assistant manager respectively.

Visiting Teachers Gets Raise

The weekly stipend for insurance teachers taking part in the program of spending time in insurance company home offices will be increased from \$70 to \$85 this summer. This is the plan worked out by American Assn.

of University Teachers of Insurance in cooperation with the company associations in the life, fire and casualty field. Dean L. J. Ackerman of University of Connecticut is chairman of the coordinating committee.

Fire Losses Increase with Dropping Economy

At the annual convention of New York Central Org. of Cooperative Fire Cos., Prof. G. W. Hedlund of Cornell's economics department warned that dropping farm prices would result in more fire losses on farm property. Fire

losses are higher in depressions than in good years, he said, because farmers have a tendency to let their buildings deteriorate when they have less cash.

One way to cut losses is to sell insurance with a deductible clause, similar to that in auto collision, he suggested. There would be savings on premiums and tremendous savings in clerical and investigation work.

Donald P. Littlefield, assistant secretary of Excelsior, has been appointed head of the underwriting department, replacing Harry C. Jewell, who retired because of health.

Boston & Old Colony Makes Staff Changes

Donald E. Furber, marine special agent in the Boston area of the Boston and Old Colony, is taking specialized training at the home office.

Roger A. Fowler, Jr., will succeed Mr. Furber and continue to develop marine lines from agency plants in southeastern Massachusetts and Rhode Island.

Richard S. Parks has been named marine special agent for Maine and northern Massachusetts.

Strong and Dependable!

Over three decades ago, seven of America's foremost capital stock insurance companies formed the Marine Office of America.

Through the years as a leader in this specialized field, neither the member companies nor the extent of their percentage participation in the Marine Office of America has changed.

For strong and dependable protection consult the Marine Office of America on all ocean and inland marine problems.

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Member Companies:

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- ★ American Eagle Fire Insurance Company
- ★ The Continental Insurance Company
- ★ Fidelity-Phenix Fire Insurance Company
- ★ Firemen's Insurance Company
- ★ Glens Falls Insurance Company
- ★ The Hanover Fire Insurance Company

MARINE OFFICE OF AMERICA

116 JOHN STREET, NEW YORK 38, NEW YORK



WESTERN DEPARTMENT

Insurance Exchange Building
Chicago 4, Illinois

SOUTHERN DEPARTMENT

• Nat'l Bank of Commerce Bldg.
New Orleans 12, Louisiana

PACIFIC DEPARTMENT

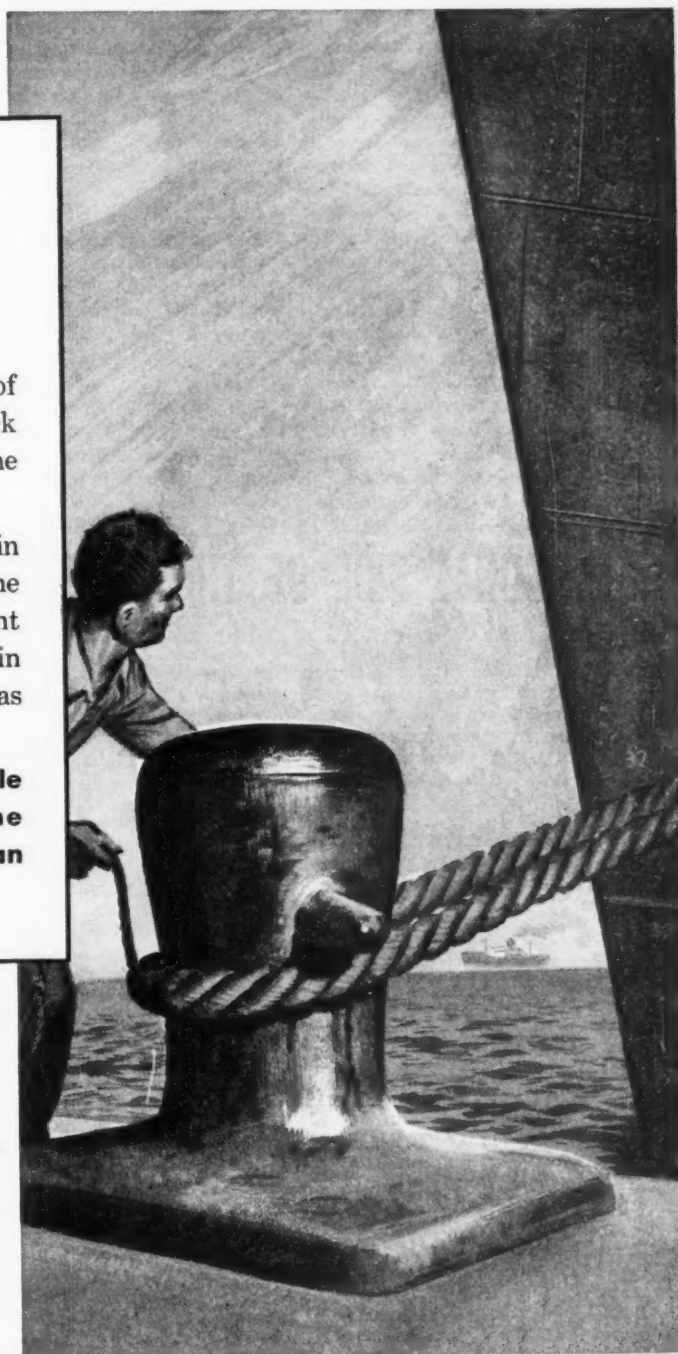
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EDITORIAL COMMENT

Charting Shadowlands of Conduct

From time to time we have criticized the Dewey administration in New York, but that section of the governor's annual message to the legislature entitled "Integrity in Government" deserves commendation.

The Dewey administration is having its troubles. The murder of a labor leader set off a series of disclosures of corruption and racketeering, disclosures not yet complete, disclosures which touched a lot of people in public and private life, some of them in insurance. The governor urged the regulation on a practical basis of those conflicts of material interest which could discredit free government. He recommended a special committee of the legislature to define by legislation the business and professional activities which are improper for government and party officers. He also urged a code of ethics with respect to genuine conflicts of interest which may arise for public or party officers between their business or professional interests and their public duties.

He noted that much conduct in pub-

lic office which once was condoned now would be universally condemned. The obvious violations such as bribery and overt corruption are easy to handle. But there is a considerable area between that and simon pure devotion to public service where better definitions are needed, to assure that no genuine conflict of interest exists.

Ideally, all government officers should be without personal interest in matters they may be called upon to decide. In today's complex society this is impossible since everyone has an interest in every action of government. Many professions and occupations, many businesses, including banks and insurance companies, are licensed and regulated by the state. Yet government should not be deprived of the services of citizens who happen to be their stockholders, officers, agents or counsel.

The problem is to chart the shadowlands of conduct where men of good will may have difficulty in deciding whether a course is proper or improper.

PERSONAL SIDE OF THE BUSINESS

Louis D. Burkhalter, Jr., of the Burkhalter agency, Cedar Rapids, has been advanced to the grade of brigadier general in the army reserve corps. He has been active in the corps since 1931 and was on active duty more than five years during World War II.

Walter J. Helm, branch manager at Boston of Royal Exchange group, suffered a heart attack and is in the hospital there.

Mayor Joseph Clark of Philadelphia has appointed **James T. Haviland**, vice-president of Lumbermens Mutual Casualty and manager of the eastern department of the Kemper group, a member of the city's newly created traffic and transportation board.

Kenneth E. Black, vice-president of Home, was elected a director of General Adjustment Bureau.

B. Y. Morris, assistant manager of Rain & Hail Insurance Bureau, made his television debut last week when he was interviewed on a Chicago weather program. Mr. Morris described some of the operations of the rain and hail business and brought with him some samples of damaged corn and pictures of

hail damage to crops. He had a good insurance audience, since most of the members of Crop-Hail Actuarial Assn. and of Hail Adjustment & Research Assn. knew beforehand of the event and tuned in.

The picture that occupied a full page in the Feb. 1 issue of Life magazine and appeared in several of the newspapers of a man jumping from the roof of a hotel in Phoenix, Ariz., was taken by **Walter D. Bolton**, a staff adjuster of Lyle Adjustment of that city, who was across the street waiting to get a statement from a witness in an automobile accident case. Mr. Bolton happened to observe the intended suicide pacing on the roof of the hotel and sensing the situation he got his camera from the car and took the picture.

Among the observers of the hospital-medical and group meetings of H. & A. Underwriters Conference this week was **Carl Strong**, coordinator of insurance training in the continuing education service of Michigan State college. Mr. Strong was invited to the meeting by Roy MacDonald of the conference, who has been one of the chief instructors in the disability insurance sales course Mr. Strong has conducted at

M.S.C. On his way back to East Lansing, Mr. Strong stopped off at Milwaukee to obtain some more instructors for his fire and casualty courses in the Upper Peninsula of Michigan.

John H. Byers, marine special agent in Michigan for Great American group, is at his home in Grosse Pointe, Mich., recovering from an operation at Harper hospital, Detroit. His condition is satisfactory and he expects to be back on the job soon.

George C. Roeding, associate manager at Cincinnati of the National Underwriter Co., and **Otto E. Schwartz**, Chicago manager, are this month celebrating their 40th anniversaries with the organization. Mr. Roeding joined the company on Feb. 1, 1914, and Mr. Schwartz on Feb. 2.

Mr. Roeding started in the Cincinnati office, but for a while traveled in



George C. Roeding



Otto E. Schwartz

the southeast before taking over the Ohio, West Virginia and Kentucky field. He has consistently been one of the company's top producers and has built up an acquaintanceship and friendship in his territory that has made him a welcome visitor in the offices of hundreds of insurance men.

Mr. Schwartz for a number of years has been the leading producer of the National Underwriter field force. He handles Chicago and Cook county and in addition is the business manager of the *Insurance Exchange Magazine*, a monthly publication of Illinois insurance news. He was the originator of the insurance telephone books that the National Underwriter now gets out in a number of cities. Mr. Schwartz is another National Underwriter man who is well known and well liked and whose visits are more than simple business calls.

S. Hugh Barrett, Jr., Florida state supervisor of Fidelity & Deposit at Miami, has completed 25 years with the organization. He has been in charge of Florida since 1932, and previously served as special agent at Atlanta.

Ross Whitney, independent adjuster at Chicago, was married in Methodist Temple there to Hazel Sanks Corman, his secretary for 20 years.

The business and finance committee of the mayor's advisory council, a division created to assist New York City's Mayor Robert F. Wagner on commercial matters of which **H. V.**

Smith, president of Home, is a member, is comprised of leaders in the city's business and financial world. Its assignment is to determine the potential usefulness of a reorganized commerce department and to devise incentives to attract new business to the city. **Robert W. Dowling**, a director of Home, is chairman of the committee.

Drex G. Foreman, executive secretary Texas Assn. of Insurance Agents, was injured in an automobile accident near Cleburne while with a committee of the Mississippi association enroute to Austin. He was laid up a week.

Frank Sussler, local agent at Norwich, Conn., has been named chairman of the fire prevention committee of the chamber of commerce there.

DEATHS

FREDERICK GRANT, Caledonian state agent in Massachusetts, Rhode Island, New Hampshire, Maine and Vermont died. He had been with the company since 1944.

ARTHUR H. REICH, New England state agent for Industrial Ins. Co., died in New York City after a brief illness. Mr. Reich had spent his entire business career in the fire insurance business, beginning in the New York metropolitan area and later serving as special agent for Queen at Pittsburgh. He had been with Industrial since 1946.

FRANK A. GOHRES, 56, with Leon Irwin & Co. of New Orleans for more than 40 years, died of a heart attack there in Baptist hospital. Mr. Gohres was assistant secretary-treasurer for the firm and had been in the insurance business throughout his business career.

WILLIAM K. FLOWERREE, 59, a former partner in the Great Falls insurance company of Flowerree & Flynn and member of a pioneer Montana family, died in a local hospital at Great Falls. Mr. Flowerree attended the University of California and the Wharton school. He was a 1st lieutenant of cavalry in the first world war.

WILLIAM A. GOODMAN, 73, partner in Oxnham, Goodman & Co., Chicago insurance agents, died there in his suburban home in Oak Park. In the insurance business 50 years, Mr. Goodman was a charter member of Chicago Board of Underwriters.

HARRY L. BURFORD, 79, who retired last year to become executive assistant to the vice-president of Continental Casualty, died at California hospital, Los Angeles, from a cerebral hemorrhage. He had suffered an attack earlier in the Los Angeles offices of Continental Casualty. In 1917, with the late E. S. Behrens, Mr. Burford formed E. S. Behrens & Co. at San Francisco, which in 1923 became California representative for Continental

The NATIONAL UNDERWRITER

EDITORIAL OFFICE:
99 John St., New York 38, N. Y.
Editor: Kenneth O. Force.
Assistant Editor: Warren Kayes.

ATLANTA 3, GA.—432 Hurt Bldg., Tel. Walnut 9801. O. Robert Jones, Southeastern Manager.

BOSTON 11, MASS.—207 Essex St., Rm. 421, Tel. Liberty 2-1402. Roy H. Lang, New England Manager.

CHICAGO 4, ILL.—175 W. Jackson Blvd., Tel. Wabash 2-2704. O. E. Schwartz, Chicago Mgr. A. J. Wheeler, Resident Manager.

CHICAGO EDITORIAL OFFICE:
175 W. Jackson Blvd.,
Chicago 4, Ill.
Associate Editors: John C. Burridge, Charles C. Clarke and William H. Faltyssek.

CINCINNATI 2, OHIO—420 E. Fourth Street, Tel. Parkway 2140. Chas. P. Woods, Sales Director; George C. Roeding, Associate Manager; George E. Wohlgenuth, News Editor; Roy Rosenquist, Statistician.

DALLAS 1, TEXAS—708 Employers Insurance Bldg., Tel. Prospect 1127. Alfred E. Cadis, Southwestern Manager.

DETROIT 26, MICH.—607 Lafayette Bldg., Tel. Woodward 1-2344. A. J. Edwards, Resident Manager.

ADVERTISING OFFICE:
175 W. Jackson Blvd., Chicago 4, Ill.
Advertising Manager: Raymond J. O'Brien.
SUBSCRIPTION OFFICE:
420 E. Fourth St., Cincinnati 2, Ohio.
Circulation Manager: Daniel B. Reynolds.

KANSAS CITY 6, MO.—605 Columbia Bank Bldg., Tel. Victor 9157. William J. Gessing, Resident Manager.

MINNEAPOLIS 2, MINN.—558 Northwestern Bank Bldg., Tel. Main 5417. Howard J. Meyer, Resident Manager.

NEW YORK 38, N. Y.—99 John Street, Room 1103, Tel. Beekman 3-3958. Ralph E. Richman, Vice-Pres.; J. T. Curtin, Resident Manager.

Howard J. Burridge, President.
Louis H. Martin, Vice-President.
Joseph H. Head, Secretary.
John Z. Herschede, Treasurer.
420 E. Fourth St., Cincinnati 2, Ohio.

OMAHA 2, NEBR.—610 Keeline Bldg., Tel. Atlantic 3416. Clarence W. Hammel, Resident Manager.

PHILADELPHIA 9, PA.—123 S. Broad Street, Room 1127, Tel. Pennypacker 5-3706. E. H. Fredrikson, Resident Manager.

PITTSBURGH 22, PA.—503 Columbia Bldg., Tel. Court 1-2494. Bernard J. Gold, Resident Manager.

SAN FRANCISCO 4, CAL.—507 Flatiron Bldg., Tel. Exbrook 2-3054. F. W. Bland, Pacific Coast Manager.



Casualty. Mr. Burford was elected president of this organization in 1949. One of his sons, Larry G., is manager of A&H claims in California for the Continental group.

JOSEPH H. SILVERSMITH, 62, president of the managing general agents' firm bearing his name, a partner of Life Underwriters agency and president of the National Jewish hospital, died at Rose Memorial hospital in Denver after a brief illness. Mr. Silversmith was a founder and president of National Ins. Co. and one of the founders of Colorado Insurance group. In 1919 he formed a local agency in Denver which grew to be one of the largest in the city, although he had not been actively connected with it for many years. An instructor in the army chemical warfare division in the first world war, Mr. Silversmith worked with War Production Administration in the second world war and was honored for his activities in the sale of war bonds.

MRS. MARGARET SWAIN O'NEILL, 65, wife of John J. O'Neill of O'Neill-Conway, Chicago insurance brokers, died in South Chicago Community hospital.

JOHN E. MASEK, 68, local agent with the George H. Russell agency at Milwaukee since 1912, died of a cerebral hemorrhage at his home. He was secretary-treasurer of the agency from 1937 until his retirement in 1952.

RALPH N. LODGE, 61, local agent at Townsend, Mont., died of a heart attack.

LOUIS J. G. MARTELLE, local agent at Pawtucket, R.I., died. He and his son, Louis C. Martelle, have been associated in the agency.

JOSEPH E. McGUIGAN, 41, local agent at Fall River, Mass., died.

JOHN M. SCHWERIN, 58, of Schwerin Adjusting Co., Portland, Me., died.

CHANNING WAY, SR., 76, retired local agent of West Chester, Pa., died there. He had been a director of Chester County Mutual.

LOUIS T. WOOD, 67, local agent at Taunton, Mass., died.

Experience on Jobs Will Influence Own Car Rates

Drivers of police cars, fire engines or other city-owned vehicles assessed penalty points under the new Massachusetts highway safety act will have to pay high insurance premiums on their personal cars.

The ruling was disclosed by Supt. Edward W. Fallon in a notice to all police divisions and units so that all drivers of city-owned vehicles could fully understand the implications of the point system.

No WC Recovery for Auto Test Ride with Dancer

Wisconsin supreme court has denied workmen's compensation recovery to a service station attendant who was injured after what he said was a test ride with a night club dancer to check repairs made on her car. The supreme court said the attendant, C. J. Hemans, was "pursuing his own personal interests rather than those of his employer."

In 1949, Hemans repaired a car belonging to Grace Hallaran, who was appearing in a Milwaukee night club under the stage name of Toni Weaver. After he had made the repairs, Hemans said he took Miss Weaver out for a ride at night to see if the car was O.K. She was killed when the car smashed into a building, and Hemans was injured, and he sought workmen's compensation recovery.

West Bend Mutual Has Gain

West Bend Mutual Fire wound up 1953 with assets at a record \$1,520,479. Surplus rose to \$762,442, and the unearned premium reserve is now \$601,455.

Pacific Board Has New Dwelling Form

Pacific Board is recommending a new style dwelling policy beginning April 1. There is no change in coverage. The new style or NS forms require no typing and can be used with the Louisiana style policy.

The provisions of the dwelling and contents form are no longer printed in the policy. However, new dwelling forms have been designed and are available for use with the new style policy. The new forms are to be attached to the policy only, not to daily reports.

The purpose is to have an all purpose format not only for the basic dwelling coverages but also for the dwelling building, broad form, and for other possible developments. Also, the news format will facilitate attachment of the new style mortgage, loss payable and other pertinent clauses, endorsements and forms.

The new policy is the result of 2½ years of study by a board committee to simplify work and cut down expense in dwelling policy preparation.

Ad Men Plan Seminars for March 1 at New York

Insurance Advertising Conference has slated a series of seminars for March 1 at New York. Subject of the first session will be evaluating advertising with Alvin E. Bulau of Home discussing general magazines, trade magazines and the direct mail.

Harry V. Carlier, Northern of London, will handle the second subject, bringing the advertising department into closer relationship with production departments.

In the afternoon, Alden M. Taylor, Phoenix of Hartford, will discuss publicity in connection with losses, and the closing talk will be by William J. Traynor of North British on closer agency and company relationship through cooperative efforts.

Harleysville Group Reports

Harleysville Mutual Casualty increased its premium writings 7.9% in 1953 to \$9,895,267. Fire and premiums were \$3,776,046, a gain of 9.1%. Assets of the casualty company are \$14,402,993, and of the fire company \$5,015,556.

Blackwell Goes on Own

W. H. Blackwell has opened Blackwell Adjustment Co. at Denver to handle fire and allied lines, automobile and inland marine. He has been 17 years in the adjustment business, and his service includes Blackwell Adjustment Co. of Dallas, General Adjustment Bureau, Trinity Universal as claim supervisor, and for the last six years as staff adjuster for Home at Denver.

Mrs. M. J. Erickson Retiring

Mrs. M. J. Erickson, manager of the fire loss department of Iowa Hardware Mutual of Mason City, is retiring April 1 after 50 years with the organization. She has been with the company since it was organized in 1903, and has been fire loss manager for 12 years. This department will now be consolidated with the casualty loss department under the direction of M. S. Chenault.

Examiners Mark 40th Year

Assn. of Fire Insurance Examiners of Chicago at the Feb. 18 meeting will honor its past presidents. This will be the meeting observing the 40th year of the association. Jose Vega, special agent of Sanborn Map Co., will show some films.

Arnos agency in New Orleans has changed its name to Willard & Davis agency.

Mass. Bonding Names Lovejoy and Gozzi

C. W. Lovejoy, vice-president in charge of the Boston metropolitan branch of Massachusetts Bonding, has been promoted to the executive department at the home office. He replaces Harold J. Aldrich, who has retired.

Dante Gozzi is now manager of the Boston metropolitan branch.

Mr. Lovejoy, a former commissioner in Maine, was manager of the New England branch and later assistant secretary and vice-president of the company.

United Pacific Has Big Gain in Underwriting Profit

United Pacific of Tacoma wound up 1953 with an underwriting profit of \$1,364,643 before taxes as contrasted with a loss of \$444,074 in 1952. Surplus to policyholders increased to \$5,025,000, a gain of approximately \$600,000. Net premiums were \$15,221,563, and investment income was \$639,000 before taxes. Assets at Dec. 31 were \$19,627,390 as compared with \$18,611,418 in 1952.

Central States General Agents Elect Crawford

Central States Assn. of Managing General Agents at its Des Moines meeting elected W. H. Crawford, American Agency Co. of Tulsa, as the new president; W. R. Kirk, Kirk General Agency of Topeka, as vice-president, and Ted Rhodus, Midwest General Agency of Kansas City, secretary-treasurer. The association covers the states of Iowa, Kansas, Missouri, Nebraska and Oklahoma.

Michael Schweins, secretary of Twin Cities Fire and assistant secretary of Northwestern F. & M., gave the principal talk on the subject of good relations between general agents and companies.

Other speakers were John Broadnax of Seibels, Bruce & Co., and G. M. Loughery of Fester, Fothergill & Hartung of New York. George D. Van Wageningen of the Van Wagenen general agency of Minneapolis, and H. G. Zimmerman of the L. E. Ellis & Co. general agency of Des Moines, vice-presidents of American Assn. of Managing General Agents, also spoke briefly.

GAB Promotes Two

Charles L. Kenney has been promoted to manager of General Adjustment Bureau at Pomona, Cal. He opened the office in 1952 as adjuster in charge, having been previously at Los Angeles.

At Astoria, Ore., Robert W. Fast has been promoted a resident adjuster, replacing R. W. Fennell. He attended Oregon state college, and before joining GAB was with Calvert Fire.

To Run Forums for Public

George Washington University at Washington, D.C., will conduct an insurance forum at which top men in the business will discuss subjects of interest to the general public. The university expects to get this forum under way during the present college semester.

Kent County (R. I.) Assn. of Insurance Agents at its bi-monthly luncheon meeting heard Richard N. Wear, insurance rating supervisor of the state insurance department, on "The Future of Fire Insurance Rates."

Fairfield & Ellis of Boston has admitted four new partners, Ralph A. Sunergren, Ralph E. Davis, Alexander Ellis, Jr., and Robert L. City.

Timothy J. Sullivan and John A. Farr have purchased Matthew J. Capeless agency in Pittsfield, Mass.

Tex. Board Upheld in Retrospective "Comp" Case

Texas supreme court has upheld the right of the Texas Board of Commissioners to promulgate retrospective workmen's compensation plans in the case of Oil Well Drilling Co. vs. Associated Indemnity. After the case had gone to court, the legislature passed a law authorizing retrospective rating, but the supreme court said the bill had no effect on its decision, it was based on the general rate statute in effect prior to 1953.

Oil Well Drilling Co. had contended that the promulgation of the retrospective plan was invalid, that the premium charged it by Associated was excessive, and that the only type of W.C. it had to use was the guaranteed cost plan. It also said that retrospective plans make the employer a self-insurer, and by allowing the insurer to refuse to write on a retrospective basis the plans permit unlawful discrimination between employers by the insurers.

Neither the insurer nor the employer were forced to insure on a retrospective basis, the supreme court said, but if they did, the rate applicable to the plan selected are promulgated by the board under a uniform rating formula.

"It occurs to us," the court said, "that the retrospective rating plan will redound to the benefit of the workman, because, under this plan, the employer is encouraged to reduce loss, thus reducing injuries sustained by the workman. This retrospective rating plan will furnish an incentive to the employer to use safety devices, hold schools of instruction for the workman in safety methods, and generally encourage all conditions which will reduce accidents injuring the workman and thereby reducing the cost of the employer's insurance."

The validity of the order providing for retrospective plans was upheld, but as to the amount of premium due Associated and whether Oil Well Drilling had waived its rights to the guaranteed cost plan, the court said the facts were not brought before it, and the case was reversed and remanded on these points.

The appeals court had held that since under Texas law a company writing W.C. was required to issue a policy to any employer applying for it, the insurer could not refuse the employer a retrospective plan. But it upheld the board rules which provided the guaranteed cost rating plan for forced risks, saying the latter satisfied the statutory requirement of compulsory coverage and did not present provision for optional alternative rating plans.

Cecil Childress, underwriting supervisor of Aetna Casualty at Richmond, discussed "Functions and Problems of Casualty Underwriting" before Richmond Assn. of Insurance Agents.

Harold P. Jackson, vice-president of American, addressed the annual meeting of Greater Cincinnati Safety Council on "What Is Being Done About Traffic Accidents."

Employers' Liability has appointed Arthur Catlow manager and Edgar H. Taylor assistant manager for Ontario, Can.

New York Board has elected to continue the fire patrol for 1954-1955.

New Pamphlets Ready on Auto Security Laws

NEW YORK—New pamphlets covering automobile liability security laws and revised rate regulatory laws are ready for distribution by Assn. of Casualty & Surety companies.

The security law pamphlets incorporate 1953 amendments and revisions of laws in Connecticut, North Carolina, South Dakota, Wisconsin, Alberta and British Columbia. They contain a summary of the salient provisions and the complete text of each law.

Copies of individual state laws may be purchased at 50 cents each. The price of the complete loose-leaf book, *Automobile Liability Security Laws of the United States and Canada*, containing 59 pamphlets, is \$12. There is an extra charge for the supplement.

The revised rate regulatory law pamphlets are for Kansas, Minnesota,

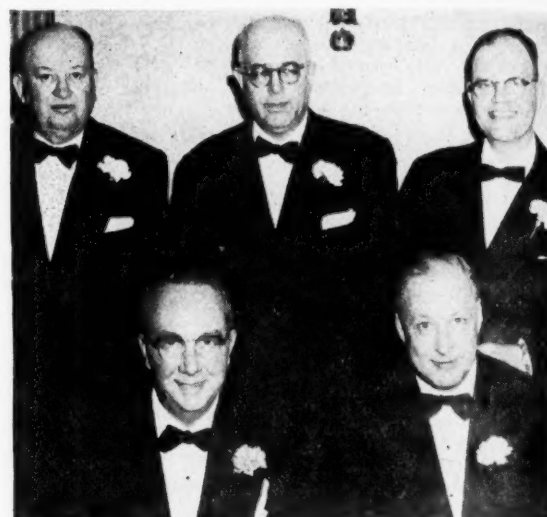
North Carolina, Oklahoma, Pennsylvania and Texas. Also issued as part of the supplement service, these pamphlets contain a digest and text of fire and inland marine in addition to the casualty and surety provisions of the rate regulatory laws.

Pamphlets for individual states are available at 45 cents a copy. The loose-leaf book, *Casualty and Surety Rate Regulatory Laws*, which includes 54 pamphlets containing digests of the laws and the complete texts, revised through 1953, costs \$10. Copies may be obtained from the law publications editor at 60 John street, New York 38.

Johnson to Industrial Indem.

Clarence G. Johnson, formerly claims manager for Employers Mutual at San Francisco and New York, has been appointed assistant division manager in charge of claims for Industrial Indemnity at San Francisco

New officers installed at the banquet of insurance board of St. Louis: Top row, Carl P. Daniel, vice-president; B. G. Gregory, manager; William R. Dunham, secretary. In the front row are H. Roland Bieser, president, and Paul J. Schroeder, chairman. F. George Macke, the new treasurer, was unable to attend the banquet because of illness.



Mutual of Omaha Names Two Leaders to Criss Board

Henry Ford, II, president of Ford Motor Co., and Dr. Edward J. McCormick, president of American Medical Assn., have been appointed to the board of judges of Mutual of Omaha C. C. Criss Award. Dr. C. W. Mayo of the Mayo clinic is chairman of the award board.

The Criss award is made annually by Mutual of Omaha in memory of its founder, the late Dr. C. C. Criss. It carries with it a gold medal and \$10,000. Any person residing in the United States, Alaska, Hawaii, Canada, or the Panama Canal zone is eligible. It is based on outstanding work in the fields of health and/or safety.

Deadline for receiving nominations for the award is Feb. 15. Winner last year was Dr. Howard A. Rusk, New York City, for his work in the field of rehabilitation for the physically handicapped.

Phil. Claim Group Elects

Charles M. McCarthy, Pennsylvania Manufacturers Assn. Casualty, was elected president of Philadelphia Claims Assn. at its annual meeting last month. Thomas M. Evans, Bell Telephone Co., is secretary, and Winfield M. Brown, American Mutual Liability, is treasurer. Peter P. Conway, Eureka Casualty, was named chairman of the executive committee.

Auto Inspection Bill in Mich.

Compulsory inspection of all motor vehicles two years or more old would be provided under terms of a bill offered in the Michigan legislature by Sen. Lane of Flint. The measure would empower the secretary of state to designate inspection stations throughout

the state which would report to him, and motorists whose cars were found to be defective from a safety standpoint would be required to remedy the defects or face suspension of their driving privileges.

Pan American Group Has Gains in 1953

Pan American Casualty increased its assets in 1953 to \$2,574,308, while surplus to policyholders went up from \$817,742 to \$875,499.

Pan American Ins. Co. had an increase in assets last year from \$1,659,523 to \$1,834,911. Surplus to policyholders went from \$638,100 to \$739,931.

Two R. I. Assns. Elect

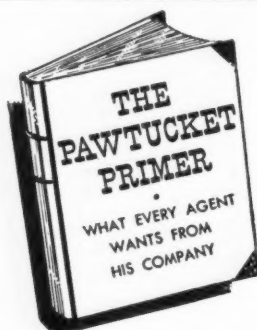
Woonsocket (R. I.) Assn. of Insurance Agents elected the following officers at its annual meeting: A. Edgar Parent, president; Walter L. Doran, vice-president; Roland T. Ethier, secretary, and Leo A. Brodeur, treasurer. All officers were reelected by the Bristol County association. President is Bertram W. Wall; vice-president, William W. Richardson; secretary, William J. Maisano, and treasurer, Albert A. Edmonds.

Florida Group Elects

New officers of Brunswick-Glynn County (Fla.) board are B. F. Grantham, president; Wright W. Parker, vice-president; C. R. West, secretary. Directors are Fred T. Davis, R. W. Peters and Mr. West.

Mass. Buyers' Session

Massachusetts Insurance Buyers Assn. held a closed session Feb. 4 to discuss the duties of an insurance manager in a corporation and the reports that are furnished by his department to top management.



GE

Pawtucket Mutual is in its 106th year, having been founded in 1848.

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Agents find that it benefits them to represent Pawtucket Mutual because of the many services they receive.

CLAIM SERVICE

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Tempo Rises as Test on Compulsory Nears

(CONTINUED FROM PAGE 1)

ly irresponsible motorist across the state line in Connecticut, a situation which cannot possibly be covered by compulsory or the assigned case plan but which can be covered by the voluntary plan. He cited other cases of New York citizens hit by non-resident uninsured. He said he wished the people of New York knew that the "self-

National Assn. of Independent Insurers has announced its support for the voluntary insurance plan introduced in the New York legislature by Senator Peterson and Assemblyman Fitzpatrick.

Vestal Lemmon, general manager, said NAII will continue, as in the past, to oppose compulsory bills on the grounds that they are not in the public interest. "The voluntary insurance plan will protect the New York motorist and members of his family against damages caused by uninsured New York motorists, including the operators of stolen cars, and also against damages caused by non-resident uninsured motorists whether inside or outside of New York state," he said. "Compulsory insurance would not provide complete protection in any of these situations...the cost of coverage under the voluntary plan is very nominal, especially when considered in relation to the tremendous cost of the administration of a compulsory insurance law, which would have to be borne by the insured motorist in New York.

"Considering the extra protections under the voluntary insurance plan, and the freedom it affords from red tape, administrative costs, and wasteful governmental activities, the voluntary insurance plan is the best buy for the New York motoring public in the long run."

ish" insurance industry if offering a plan that gives double the protection of compulsory.

He referred also to Robert Lockley, a witness, who is a cold storage engineer at Williamson, near Rochester. His car was struck from behind and he suffered serious injuries, heavy expenses and a long period off the job. In extricating him from the burning car while he was unconscious, his wife suffered burns that resulted in her death. His attorney has told him there is no insurance.

Mr. Moser asked why the committee hadn't brought out the fact that the men responsible for the Lockley accident were from out of state and that compulsory would not have meant reimbursement to Lockley.

Ray Murphy, general counsel of Assn. of Casualty & Surety Cos., and Mr. Moser both asked the committee if they could question the witnesses. Sen. Hults at first declined to permit the asking of "technical" questions because of lack of time and then told them they could write out their questions, which the committee then would ask the witnesses. However, the committee did not get around to asking them. The committee did agree to furnish the names and address of witnesses and names and addresses of the drivers of the other cars in the accidents.

Mr. Moser indicated that he wanted to ask the witnesses if they would like to have the committee recommend a law that would reimburse them for the cost of injuries if caused by non-residents as well as residents and if caused

outside New York as well as in the state. He said there was no technicality about the question. He thought, however, if the committee is interested in protecting New York citizens, it ought to select a method that would protect them all the way.

Several insurance people appeared and presented their views, emphasizing the inadequacies of compulsory and the merits of the voluntary plan of insurance proposed by the business.

A. C. Deisseroth of Syracuse put in the statement of New York State Assn.

of Insurance Agents. Compulsory doesn't mean that all the cars on the road will be insured or that anyone hurt in an automobile accident will be compensated. Compulsory will leave a lot of cars uninsured and it will still be necessary to prove fault.

The economic loss caused by uninsured motorists in New York is estimated at \$7,500,000 by Superintendent Bohlinger and the administration; the estimate by other authorities is \$3 million to \$4 million. But in 1952 insurers paid claims totaling \$166,975,562.

The state would still need the assigned case plan or its equivalent, even if it has compulsory.

The superintendent says the beneficial results flowing from compulsory will not cost insured motorists an additional penny. Mr. Deisseroth commented. But administration will, he estimates, cost \$6 million. He figures the expense of paper work for each of the 4 million plus cars at \$1.50. There will be 4 million plus filings once a year and many more when car

(CONTINUED ON NEXT PAGE)



Short waves travel long distances

London... Rome... Hongkong... Sydney... the whole wide world is the back yard of the family with a short-wave radio receiver.

Hallicrafters precision equipment, made in Chicago, is used in 89 countries and by 33 governments. A pioneer in the field of short-wave electronics, the company this year marks its 20th anniversary. The skills and experience that have made Hallicrafters a leading manufacturer in

short-wave radio stand behind its "new-dimension" television receivers as well.

For many years U. S. F. & G. has had a part in Hallicrafters' development by providing a variety of essential bonding and insurance coverages. Whether you produce precision equipment, sell goods or services, own your home or business; no matter what you do, there are U. S. F. & G. coverages to meet your needs.



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transfers, insurance changes, etc., are added.

He wondered what the effect of compulsory would be on financing and installment payment of auto premiums. If a company cancels compulsory cover, before the individual is caught an accident may occur, which means insurer stays on the risk longer than it does now after cancellation. The superintendent says that the number of these cases will be insignificant but in Massachusetts more than 400,000 motorists finance auto premiums, or about 40% of the total. Under these circumstances, companies could be expected to demand full payment of premium in advance, which will mean a complete change in present operating procedure of auto insurance.

Of course, there will be politics in rate making for sure and a state fund is inevitable.

He called attention to a bill just introduced in the legislature by Sen. Santangelo to create in the motor vehicle bureau a state MV insurance fund for insuring car owners for BI and PDL, with eight commissioners to run it and making certain provisions of the workmen's compensation law applicable thereto.

There will inevitably be less protection under compulsory he said, fewer limits beyond the required and less medical payments. Compulsory costs more, people are more claim conscious. Houston has one-eighth of the BI claims per 100 cars as Boston. Boston has twice as many such claims as any other city in the U. S.

No law will completely close the gap of those aggrieved because of the lack of insurance, for autos, firearms or other instruments of destruction.

Actually compulsory will be less effective than the present safety responsibility law, he declared.

The cost of the voluntary cover is estimated at 2% or less, possibly it will be 1% if the legislature passes the impoundment bill. That will increase the number of insured cars. The deductible of \$300 (which is a suggestion and not a part of the bill) means the cover is for catastrophes.

The voluntary plan is a private business method, it will cover outstate, stolen and illegally operated cars, it will require no more government machinery or permit another government bureau, it doesn't protect uninsured motorists. It costs a little but does not contain hidden costs which are considerably greater under compulsory. Insured knows exactly what he is getting, which isn't the case under compulsory.

The two sides came out about even on the farmers. A spokesman for Farm Bureau Federation of New York State claiming 80,000 members said it has resolved in favor of compulsory, while a spokesman for New York State Grange, claiming 90,000 members, resolved against it and in favor of the voluntary plan.

Questioning of Mr. Deisseroth by the committee brought out the estimate that the \$300 deductible would eliminate about 65% of BI claims and 95% of PDL claims. But, Mr. Deisseroth pointed out, the loss of \$300 does not create a social problem. It was also brought out that if insured had the extension in cover but were riding in an uninsured car, he would not be covered.

Sen. Hults said he understands that there are about 1 million families in the state that don't have a car. Wouldn't it be a hardship on them to

buy the voluntary cover when they can't afford an automobile? How can agents afford to do the sales job that will be required to sell these families for the little they will get out of it? Mr. Deisseroth pointed out that the same situation obtained when extended coverage was introduced. Agents put this on as a service. Agents do other things, in order properly to serve clients, for which they don't get adequately paid. For those with auto policies the voluntary cover can be added as an endorsement. For those without autos, footwork and advertising will be required. It can be added to comprehensive personal liability, or to the fire policy.

Edmund T. Sinnott of New York, chairman of the legislative committee of Insurance Brokers Assn. of New York State, emphasized that compulsory makes a prompt appeal but that appeal is based upon a quick decision that it is a complete answer to the financial risk of sustaining injury at the hands of a financially irresponsible motorist. But it falls far short of being a complete answer, even to the limited problem of financial risk.

Compulsory inevitably will put the state in the insurance business, he said. He urged the superiority of the protection under the voluntary plan.

Aren't the 95% who are insured entitled to some protection? Sen. Hults asked Mr. Sinnott. Why not fight to protect them? Because the voluntary plan will do it better than compulsory, Mr. Sinnott replied. But it leaves the uninsured driver on the road, Sen. Hults persisted. The committee is for private enterprise, he declared, but it wants the 95% protected.

Frank E. Wigg, White Plains, vice-president of Mutual Insurance Agents Assn. of New York State, put in that group's statement. As with all of the other statements by members of the business, it favors voluntary, opposes compulsory. Mr. Wigg noted much of the opposition to compulsory emanates not from insurance but from organizations whose activities are completely foreign to insurance. He called attention to the effect of compulsory on claim consciousness in Massachusetts where in the five months prior to compulsory there were 3,000 negligence cases in the superior court and in the five months after it became effective nearly 7,500 cases.

New York is particularly prone to incoming traffic, he said.

Sen. Hults asked if it wouldn't be possible to get reciprocity with other states on compulsory as has been the case with FR. Mr. Wigg doubts it.

Sen. Hults said he didn't think the addition of 4% to the total insured would produce political rate making. Counsel for the committee then asked if workmen's compensation isn't mandatory. Is there politics in it?

That drew a large, spontaneous laugh from the audience.

Carl A. Young of Syracuse, president of New York Insurance Federation said he has been a local agent about 25 years, that his agency serves largely individuals, it does not have large lines. It is in constant contact with the public. It has 5,000 individual accounts. There is no vociferous demand for compulsory by his clients. Persons say if they carry insurance so should the other fellow, but they are not saying they are for compulsory.

He estimated that 10% of New York accidents are caused by out-state cars and this will increase with the new thruway. He said he thought agents

can sell the voluntary cover, that more than 75% of his clients have MP. The value of the car under impoundment would take care of the \$300 deductible in most cases, he said. FR isn't compulsory but applies responsibility. Those who are irresponsible enough not to carry insurance today will still be irresponsible after compulsory, and the protection against them isn't compulsory but the voluntary plan.

Sen. Hulst said he doubted if agents can sell 50% of the people the voluntary cover. Why not make uninsured insure?

Why not make everyone carry public liability insurance—the gun shooter and the building owner, Mr. Young countered.

If there are 50,000 motorists driving illegally in Massachusetts under compulsory, there will be 100,000 to 150,000 in New York with compulsory, he declared.

The state bar association is against compulsory and has been since 1934, Mr. Reidy stated. It favors the voluntary plan. He said he once favored compulsory, but not after he studied the problem. He said he was sorry that the Hulst committee had disassociated itself from safety because safety is an integral part of the real problem, in fact the primary part.

He vigorously tackled Joseph F. Murphy, deputy superintendent of insurance, for the latter's statement at a meeting in New York City of metropolitan trial lawyers, that the views of the insurance section of the state bar group on compulsory should be disregarded because everybody knows the activities of that section are controlled by casualty insurance companies.

He said he had never represented a casualty company and is controlled by his conscience, the 10 commandments, the standards of his profession and the even temper of the Irish. He cited other distinguished members of the bar group and asked the committee if it thought those members were controlled by casualty insurers.

Mr. Murphy said the compulsory issue was debated by him and Robert H. Kilroe at a closed meeting, and that he did express his individual opinion as a lawyer that the insurance section as to compulsory speaks as the voice of the stock casualty companies.

The trial lawyers did not take a vote on compulsory after the debate, he said.

Fred Rittie of the brokers joint council of New York City spoke for the voluntary plan, against compulsory.

Vestal Lemmon, manager of National Assn. of Independent Insurers, said his group opposes compulsory and favors the voluntary plan with impoundment. Compulsory would change the rate making process over to political opportunism, he said.

The committee asked frequently why there was such a fear of a state fund in New York when Massachusetts does not have one after many years of compulsory. Ray Murphy pointed out that only recently the writing of disability benefits in New York was permitted the state fund. In 1930 the Massachusetts supreme court held that a proposed state fund for auto compulsory was unconstitutional and that decision has been a bar to a fund in that state ever since. Yet every year since there has been one or more proposals for such a fund introduced in the legislature. Sen. Hulst's bill (compulsory) was hardly dry when the New York CIO demanded a state fund to write

auto compulsory. The danger is very real.

As to why agents and companies oppose the enforced sale of cover to the other 4% of motorists in New York, it is because the compulsory method of doing so would be to their disadvantage. So what, the committee might ask. Their attitude would make no difference to the public interest, on that score alone. But they feel in good conscience that the public would be better served without compulsory and with the voluntary plan plus impoundment. It would otherwise be presumptuous for the insurance people to appear at all in protest, he said. The voluntary plan simply will bring more insurance to more people than will compulsory.

He emphasized the value of having a freedom of choice in the purchase of insurance.

The impact on the pocketbook of 100% mandatory will be tremendous, he declared. The mere fact of compulsory will revolutionize the entire business.

He said no one knows the character of the 4% uninsured.

N.J. Church Destroyed in \$200,000 Fire

Damage estimated at \$200,000 was caused in a fire which destroyed the 83-year old Methodist church at Passaic, N.J. Only \$90,000 insurance was carried on the building. The organ was covered under a separate policy.

Also damaged in the fire was the manse next to the church, but it was only scorched.

If the percentage of insured automobiles drop substantially, what will that do to the voluntary plan, Sen. Hulst asked. Mr. Murphy thought it would not, with impoundment and the FR law.

Henry Moser told the committee when he started to speak that he thinks Allstate is the largest writer of autos in New York, that the company probably now writes one out of 10 cars in that state.

The committee expressed keen interest in why those in the business felt that the addition of only 4% of motorists to the ranks of the insured would radically change the insurance operation. Mr. Moser said the 4% does not

consist of a fixed and unchanging group, that new motorists are constantly being licensed and registering cars and that their attitude toward insurance, claims, etc. would be far different if they started under compulsory than it would be under the FR system.

He suggested that if the insurance business is wrong in its contentions, nothing will be lost by trying the voluntary plan plus impoundment, but if the business is right, and compulsory is adopted, then all is lost.

Mr. Moser and Ray Murphy indicated they would like to appear at the Feb. 19 hearing in New York City. Others that have already indicated a wish to be heard include Assn. of New York State Mutual Casualty Cos., American Mutual Alliance, National Assn. of Casualty & Surety Agents and Brooklyn Brokers Assn.

The morning of the hearing here, newspapers carried a statement from Gov. Dewey that he thought compulsory would be passed. This was nicely timed.

The hearing started at 10 and lasted till almost 6 p.m.

Building Solidly

CENTRAL SURETY AND INSURANCE CORPORATION

Condensed Financial Statement December 31, 1953

ASSETS

Cash (in Banks and Offices)	\$ 1,386,579.28
Bonds:	
U. S. Government	\$ 5,236,812.77
State, County and Municipal	10,397,889.40
Federal Banks	255,869.92
Public Utilities	4,500.00
	15,895,072.09
Stocks:	
Public Utilities	540,865.00
Banks	66,040.00
Central Surety Fire Corporation	631,172.68
Industrial and Miscellaneous	108,464.00
	1,346,541.68
Total Cash and Invested Assets	\$18,628,193.05
Premiums in Course of Collection	1,209,611.92
Accrued Interest on Investments	96,767.20
Other Assets	89,700.07
TOTAL ADMITTED ASSETS	\$20,024,272.24

LIABILITIES

Reserve for Claims and Losses	\$ 7,335,962.74
Reserve for Unearned Premiums	6,017,886.81
Total Claim, Loss and Premium Reserves	\$13,353,849.55
Reserve for Taxes and other Liabilities	706,969.80
Total Reserves	\$14,060,819.35
Capital	\$ 2,000,000.00
Surplus	3,963,452.89
Surplus to Policyholders	\$ 5,963,452.89
TOTAL	\$20,024,272.24

Securities carried at \$1,277,853.18 in the above statement are deposited for purposes required by law.

Bonds are carried at amortized values. No bonds were in default either as to principal or interest at December 31, 1953.



It's Wise

to

CENTRALIZE

HOME OFFICE KANSAS CITY, MISSOURI

NY Bar Association Discusses Auto Problems

(CONTINUED FROM PAGE 12)

is settled for \$300. Some attorneys just don't know how to value cases, he said. There are lots of cases of this kind. The plaintiffs' attorneys do not get realistic until the time for settlement arrives or until the court suggests it.

Mr. Gair pointed up the problem that exists in connection with compensation cases that involve also the negligence of a third party. Here the insurers put the squeeze on the attorney and his fee. Mr. Haver added that seldom in these cases is the insurer willing to compromise. The problem has become so common that legislation was introduced in the New York legislature last year and will be introduced again this year to permit the judge to fix the fee of the attorney, among other things. Insurance company backing for such legislation would help.

One claim practice of insurers (which he asserted he loved and would like to keep a warm blanket on) is subject to criticism, Mr. Haver said. That is the failure of some insurers to get in touch with persons injured in an automobile and tell them there are medical payments and to send the

bills. Many companies do just this, some hide behind the door. Also, some insurers ask for a special form of release on MP settlements. He thinks the business should police practices more, in cases of this kind.

Judge Ughetta said that if an insurer doesn't disclose there is MP, that is outrageous. Maybe the local adjuster wants to make a record.

Mr. Jainsen said that insurers, like other businesses, have for some years had a hard time getting good manpower for claim work. This situation is improving, however. An insurer doesn't want to send, knowingly, an inadequate man. When it misses a chance to settle a case at the low point, that is bad claim practice for it.

Judge Ughetta said in the past 10 years or so there has been an improvement in the quality of men coming into court.

Mr. Haver noted that at times local competent counsel hired by an insurer must phone the company to get an okay on every step. It is like hiring a doctor and throwing away the pills, he said.

Mr. Rowe replied that in a claim, competent local counsel may value a case and then when it goes to trial he finds it has taken a bad turn. Instead of a \$5,000 case, it begins to look like



Representatives of National Fire of Hartford delivering the company's first travel accident policy to Charleton T. Bradley, National Fire agent in Greenwich, Conn. The policy was issued to Dale Condit, a consulting engineer in Greenwich, for a trip to England, Turkey and Iran. Pictured left to right are Mr. Bradley, Special Agent B. J. Coughlin and Assistant Secretary J. L. Shaw, of National Fire.

a \$25,000 one. The insurer has nothing in its files to show that the case is worth \$20,000 more than the figure at which it was originally valued. Insurers are examined by state insurance departments, and if a payment of this kind is made without some evidence as to the reasons therefor, the examiners are going to look into the matter.

Mr. Caverly said one reason for New York City court congestion is the great proportion of suits that develop there. One estimate is that 12% of all personal injury claims in the U. S. originate in New York City but 36% of all personal injury lawsuits. Judge Ughetta said that suits certainly are brought quicker in New York City. One reason is that there are many more causes for action in New York City, given by the legislature, Mr. Gair pointed out.

Should companies disclose policy limits to plaintiff's attorney? The consensus on this one was that under certain circumstances, such as limited coverage or really serious injury, yes.

Some companies still practice trying to save \$5 or 5% on every claim, though more and more insurers are paying in full.

Though in the depression when money was scarce insurers were reluctant to negotiate, in 1954 every well managed casualty company invites attorneys to come talk about claims; it wants to dispose of the claim.

Mr. Rowe said he personally is opposed to the doctrine of comparative negligence. In Wisconsin, if both parties are 50-50 responsible, none collects, but if one is 49% and the other 51% negligent, there is full payment. This is too much of a swing.

Mr. Gair regards the doctrine of contributory negligence as barbaric. Here the discussion indicated that in practice today the doctrine of contributory negligence actually becomes one of comparative negligence. The tendency under comparative negligence might be to reduce litigation, Mr. Gair thinks.

Are plaintiff's attorneys' fees too high?

On smaller cases it is the generally accepted rule in New York for the plaintiff's attorney to get 50%, though not in serious injury cases. In the latter case probably a third or 35% is common.

Mr. Haver thinks it takes only one or two instances of an attorney getting 40 to 50% in a big case to give

lawyers in that community a bad name. Two appellate divisions of the New York courts are considering establishment of a rule on fees. He would have to see this unless it were at the request of bar associations. Doctors today are having headaches because of poor public relations in the past. He would like the bar to suggest a scale.

Mr. FitzPatrick thinks lawyers are vulnerable in two instances, on fees and on delays in trying cases. If lawyers don't solve these two problems, the courts will act. Some judges are asking plaintiffs' lawyers now what their fees are, Judge Ughetta said.

Mr. Jainsen said this was an important subject. He doesn't like schedules or regulation—95% of lawyers are decent. Abuses by a small percentage attaches, in the mind of the public, to all. The public is inclined to think negligence cases are a racket.

It was generally agreed there is nothing improper about contingent fees, that many plaintiffs would be unable to hire lawyers if they didn't exist.

Pre-trial in negligence cases, where the procedure amounts to an attempt to settle the case, is generally favored, though Mr. Rowe pointed out that some judges call lawyers in, find out how much each is asking and then split the difference. That is not a settlement. He suggested the plaintiff should hear the settlement offer at a second session of the pre-trial. He has an interest. He also thinks the insurance section of American Bar Assn. should go into the matter more thoroughly.

Pre-trial has helped reduce court congestion, Mr. FitzPatrick said. Mr. Gair said the tendency of pre-trial was to reduce the amount of early negotiation. He suggested the judge ought to talk with the plaintiff where he doesn't agree with a settlement agreed upon by his attorney and the attorney for the other side. His reluctance to accept such a suggested settlement leads to delay and suit.

Broadens Auto Coverage

Utilities of St. Louis has brought out a broad automobile policy which for the standard premium assumes liability resulting from "occurrences," provides \$100 bail bond coverage, coverage above the maximum in the policy if the limits do not meet requirements of safety financial responsibility laws during trips out of the home state, and payment for damage to a garage or residence rented by the policyholder. Under the medical payments, there is provision for dental expense, artificial limbs, eyeglasses, etc., with a payment to the limit of benefits in the event of accidental death in lieu of other benefits.

Under collision, coverage includes loss to certain uninsured borrowed automobiles operated by the named insured or his wife, automatic insurance for newly acquired automobiles merely by notice to the company with payment for the full amount of the purchase price of the car without depreciation if total loss occurs within 90 days after purchase.

The policy is illustrated with drawings which serve to emphasize the coverages in the text.

Henshaw Now Heads Ind. Agency

W. J. Henshaw, for many years manager of the insurance department of Indiana Trust Co., has now succeeded to ownership of this agency. It is one of the oldest in Indianapolis and will be located at the same address, 117 East Washington street. Associated with Mr. Henshaw will be C. D. Meier, T. M. French and Walter A. Knuth, formerly of the real estate department of Indiana Trust Co.

More pounce to the ounce



One of our Group Representatives is just a little feller. Matter of fact, he can't even tell a tall story.

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American Guarantee and Liability Insurance Company

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Tells Baltimore 1-Day of Loss Men's Role

(CONTINUED FROM PAGE 14)

concurrent coverage. Often there are, if not six, at least three or four varieties of policy-writing where the same basic form has been used but the type-written parts are entered in different ways. Also, where there is a choice between coinsurance and flat rates, each agent, often through no fault of his own, has to guess what best meets insured's needs. Added variety comes into play.

Another example is reflected in a recent loss. Stock in insured's warehouse mysteriously disappeared. The outside theft and employee infidelity covers were written by separate agents in two different insurers. Investigation by the theft insurer disclosed no evidence that anyone from the outside had entered the premises to steal the goods; it seemed impossible for this to happen. Infidelity insurer, however, reported that employees had been carefully checked, all were of unquestioned integrity—an inside job was out of the question.

For several months each insurer vigorously contended that the other should assume the loss. Insured could only stand by, out of pocket for the value of his missing stock. Eventually a solution was found, but there would have been no argument, no delay, had both policies been written in the same insurer. The alert agent can prevent such an impasse only if he knows the coverages insured is carrying and the companies in which they are placed. In spite of beneficial results from agreements of guiding principles, many conflicts of coverage remain unanswered.

Fla. Dept. Approves Schools for Agents

The story in last week's issue concerning the Florida licensing law was in error about the time the law will go into effect. The law is in effect now and the Florida department has advised that all agents desiring to qualify with the department must now have completed an approved course in insurance or have met experience requirements.

Schools having the department's approval are America Fire & Casualty, Aetna Casualty, Aetna Fire, Employers group, Federated Mutual I. & H., Hardware Mutual Companies, Standard Accident and Lindsey Hopkins vocational school at Miami. Insurance courses at University of Florida, Florida State University, Stetson, and University of Miami have been approved for many years.

Clyde, McCaffrey Advanced

Joseph W. Clyde, formerly chief accountant, has been appointed controller of Argonaut Insurance Exchange. Robert H. McCaffrey of the accounting department is now chief accountant.

Mr. Clyde joined Argonaut three years ago after some 20 years in the workmen's compensation business.

Heads N. Y. Red Cross Committee

J. Victor Herd, executive vice-president of America Fore group, has been appointed chairman of the general insurance committee for the New York City Red Cross drive in March. There are also five chairmen for divisions within the general insurance committee.

R. I. Women Sponsor Course

Rhode Island Assn. of Insurance Women is sponsoring a casualty course Wednesday afternoons beginning Feb. 10 and continuing through Mar. 3. The

lectures will be given by Herbert F. Taft, agency supervisor of Aetna Casualty, Providence, on workmen's compensation; Carleton I. Fisher, G.L. & H.J. Gross Inc., Providence, on liability; William M. McSweeney, manager of Travelers at Providence, automobile, and John E. Borhek, Providence manager of Employers group, burglary.

Compulsory Bills in Ky. & Va.

Compulsory motor vehicle liability insurance bills have been introduced in Kentucky and Virginia.

Pacific Fire Underwriters

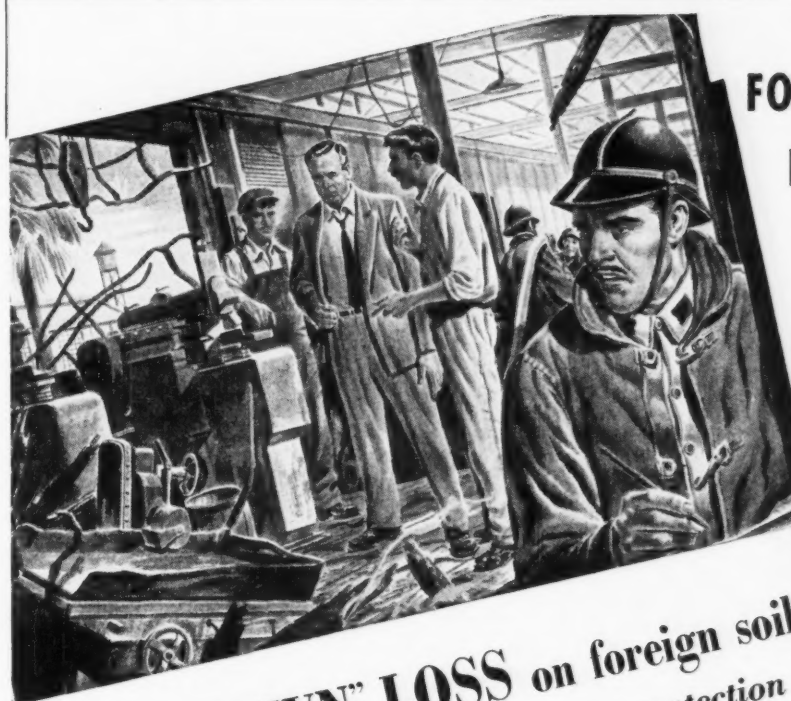
Complete Annual Program

The program now has been readied for the annual meeting of Fire Underwriters Assn. of the Pacific, March 3-4 at San Francisco.

Following welcome by California Commissioner Maloney, J. W. Stevens, Jr., state agent for Royal Liverpool group at Los Angeles, will speak on "Dollar For Dollar Value Public Relations—The Town Inspection." The afternoon session's first speaker will be

A. Gordon Fraser, special agent for Fire Association at Portland, on "Of Mice and Field Men."

On March 4, William C. Cof, president of Fire Underwriters Forum, will describe the activities of the forum. "The Double Edge" is the title of an address to be given by George O. Johnson, president of California Assn. of Insurance Agents, and "Unlimited Horizons" will be the theme of D. H. Smith, executive vice-president of Utah Home Fire.



"SHUTDOWN" LOSS on foreign soil
prevented by PLANNED insurance protection

It's startling when word arrives "Plant gutted by fire—will be shut down . . ." Serious? Not to the financial soundness of your business if you have planned insurance protection in member companies of American Foreign Insurance Association. Whatever you manufacture on foreign soil—electrical products in Brazil or tires in Australia—AFIA, through its member companies, offers you planned insurance protection that not only covers your investment in property but pays your continuing expenses during the costly non-productive time consumed in getting back into operation.

AFIA knows local conditions, laws and insurance requirements. It continually gathers the pertinent information so important to your business security from its more than 500 offices and agencies throughout the world.

Decades of experience in protecting the ventures of American business on foreign soil stand behind your protection when your insurance is written in member companies of AFIA. Ask your agent or broker to secure full information from AFIA for sound insurance protection on your foreign projects.

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**TWENTY-FOUR AMERICAN CAPITAL STOCK FIRE, MARINE AND CASUALTY
INSURANCE COMPANIES PROVIDING INSURANCE PROTECTION IN FOREIGN LANDS**

Employers Re Has Another Good Year, Increases Dividend

Surplus of Employers Reinsurance was increased last year by \$1,428,234, and as a result of the improvement in the condition of the company in the last two years, the quarterly dividend has increased to 50 cents payable Feb. 25 to stock of record of Feb. 15. In 1953 the rate was 40 cents, having been increased from 25 cents in 1952.

Premiums written by Employers last year totaled \$16,190,194, a gain of \$1,188,618. Earned premiums were \$15,891,231, an increase of \$49,569.

The loss ratio, excluding adjustment expense, was 50.1 in 1953 as contrasted with 49.5 the previous year. Unearned premium reserves, including the special A&H reserve, increased \$216,641 to \$9,114,652, while the loss reserve, including adjustment expenses, decreased \$1,462,157, and is now \$28,653,258.

Investment earnings of Employers were \$1,081,131 in 1953, and assets are 128% of liability other than to stockholders.

Ins. Accountants Hear Admiral

An address by Rear Admiral A. G.

Cook, U. S. N. (retired), was the feature of the first 1954 meeting of Insurance Accountants Assn. of San Francisco, which was presided over by the newly elected president, J. L. Morrison.

Admiral Cook, director of the San Francisco disaster council and corps, explained the organizational development of the council and outlined the training programs being conducted to save lives in case of disaster striking San Francisco or any neighboring area.

Hartford Fire Promotes O'Connell, Two Smiths

Three home office employees of Hartford Fire have been promoted.

J. J. O'Connell has been named superintendent of the brokerage department, Leroy H. Smith superintendent of the multiple location risk department and W. J. Smith superintendent of the survey department. All three men have been with Hartford Fire more than 25 years and all started in the departments they are now heading.

Mr. O'Connell joined the company in 1920, Leroy Smith in 1925, and W. J. Smith in 1926.

Embezzles from Agency

Leslie F. Carter was sentenced to New Hampshire state prison for embezzlement of \$2,547 from Hermon H. Davis local agency at Concord, N. H. He pleaded guilty.

S.E.U.A. Picks Up A.E.C. Changes

States in Southeastern Underwriters Assn. territory have adopted the new edition of the additional extended coverage endorsement which is now in force in a large number of other states. The new form is arranged, as in other territories, in two-column style, following the format first used with the broad dwelling form of Pacific Fire Rating Bureau. Covered perils are shown in the first column, limitations and exclusions in the second.

The new S.E.U.A. endorsement also contains the same changes in coverage as have been made in other territories. Landslide is added, the 72 hour provision concerning water damage and freezing is changed to due diligence; felling, topping or trimming is included in the fall of trees cover, and cost of tearing out and replacing walls, floors, etc., to get at the source of plumbing, heating or air conditioning system leaks is specifically covered. Also, "and" has been substituted for "or" in the vandalism and malicious mischief section.

Casualty Cos. Sponsor Radio Safety Contest

Massachusetts high school seniors can try for \$8,000 in college scholarships and U. S. savings bonds in a 14-week radio safety quiz sponsored by Casualty Companies Serving Massachusetts in cooperation with the registry of vehicles.

The shows will be broadcast Saturday evenings, March 6-June 5, on 10 Massachusetts stations.

The forum for living contest is open to all seniors in public, parochial and private high schools and offers winners \$5,300 in scholarships and an additional \$2,700 in \$50 and \$25 savings bonds.

More than 15,000 high school seniors took part in a similar contest four years ago sponsored as an educational feature by casualty companies.

To qualify, seniors will be asked to fill out a questionnaire and write a short safety essay.

National Automobile Theft Bureau will hold its annual meeting Feb. 19. The group will elect a treasurer and two representatives at large to the governing board, hear the annual report and consider other general business.

Propose Trend Factor Use in N.C. Fire Rates

To offset a trend toward lower premium volume and mounting losses North Carolina Fire Insurance Rating Bureau has proposed the use of a new economic factor in the fire rate making formula for the state.

At a public hearing, W. S. Bizzell, manager of the bureau, told Commissioner Gold an economic factor of three-fourths of 1% was sought because the bureau believes it inadvisable to ignore trends which would have the effect, if ignored, of producing rate reductions which make the business unprofitable and shortly would result in rate increases.

No consideration heretofore has been given to such a trend factor in fire insurance rates, although a trend factor is used in making automobile rates.

Losses have mounted steadily in the past four years, Mr. Bizzell said, and premiums rose until 1952 when they sank to \$28,020,077 after hitting \$32,185,963 the previous year. There is a tendency, he said, toward less construction, lower inventories and a possible reduction in the amount of property insured.

The bureau filing proposed a rate reduction estimated at \$1,007,349. Without the economic factor the indicated reduction, based on loss experience for the period 1948-1952, would be \$1,401,003.

Commissioner Gold took the matter under advisement.

Zones 3 and 4 to Meet

Zone 4 of National Assn. of Insurance Commissioners will hold a meeting June 5 in Detroit just ahead of the annual convention of NAIC. Zone 3 will hold a meeting at Biloxi, Miss. March 15-17.

John S. Baybutt has been named president of Meade & Gale, Boston general agency. He replaces the late John P. Meade. Richard W. Lyman was promoted to vice-president and treasurer and Edith L. Clarke secretary and assistant treasurer.

Thomas N. Boate, manager of the accident prevention division of Assn. of Casualty & Surety Cos., outlined the program of his department and the association at a luncheon of the Casualty Insurance Assn. of California in San Francisco.

To Agents and Brokers:
This ad in newspapers
throughout the country will
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Insurance Buyer should know—No. 71



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Whatever your occupation, you are probably exposed to special hidden risks or losses arising from your work. This is a fact often overlooked by even the most far-sighted business or professional people. For example,

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- ✓ If you own a store or rent an office, does your liability insurance include voluntary *Medical Payments* coverage to keep the good will of customers injured on your premises?
- ✓ If you are a doctor, do you carry *Surgical Instruments Insurance* to cover your valuable professional instruments and materials, both on and off the premises?
- ✓ If you are a wholesaler or retailer, are your accounting records insured by *Accounts Receivable Insurance* against damage and loss through inability to collect amounts owed you?

Fortunately, most "occupational hazards" today can be covered by insurance. See a competent, independent agent or broker. Ask him to review your situation to make certain that you are insured against the risks your job creates.

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Edward T. Harrison, Chairman of the Board

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Hirschfeld Outlines Needs, Problems of Insuring the Aged

Gerhard Hirschfeld, director of Research Council for Economic Security, told those attending the hospital-medical meeting of H&A Underwriters Conference at Chicago some of the problems insurance companies face in dealing with old age groups.

There are now more than 13 million persons age 65 or over and 32 million more between 45 and 64. It is the sheer number of aged persons, quite apart from their pressing needs, that makes them aware of their problem as a national problem and leads to demand for action, especially on the political front, Mr. Hirschfeld explained. The business has been partially stymied for lack of information, but Mr. Hirschfeld revealed some of the work his organization is doing in surveying the nature, extent and the economic impact of extended non-occupational illness among employed persons. One of the facts brought out in this study is that a great many of the prolonged illnesses were those for which early diagnosis is possible and for which prompt treatment in the early stages can reduce duration of disability. This emphasizes the importance of investigating the extent to which diagnostic treatment facilities are available and being used.

Preliminary estimates show the median age involved in these disabilities was 46.5 for men and 39.5 for women. From an average group of employed persons it is surprising to find so many with prolonged illness in the lower and middle age groups. This would indicate, Mr. Hirschfeld said, that the problem of prolonged illness is not primarily that of geriatrics, and again suggests the importance of prevention.

The study has revealed a wide variety of situations as regards costs of illness, both insured and uninsured. However, the fact that some of the older persons were insured nearly to the limit of their costs indicates that there has been some progress. Still, the basic problem of how health needs of the aged can be integrated with the principals and methods traditional in the A&H business has not been answered.

Mr. Hirschfeld said there are two basic facts facing the business—the reality of the problem of the aged and especially their health needs, and the definite limitations within which the A&H business operates. The most important limitation on the business is that it is not non-profit. It cannot write every person regardless of risk and cannot cover everyone regardless of ability to pay. It cannot determine its policies purely on social grounds. The health problem of the agent, on the other hand, is primarily a social problem because it is a problem of economy and security—the one basis upon which it is difficult to sell insurance. Underlying the health problem of older persons is the idea of helping people who need help contrasted with the insurance concept of help yourself and ability to pay.

"Can insurance change its character?" Mr. Hirschfeld asked. "Can it become in its outlook a little more concerned with the health needs of the aged? Can the health and accident industry develop among its members the initiative, the planning, the coordina-

tion which permit it to meet this problem?"

Saying he has no answer to this situation, Mr. Hirschfeld mentioned three points he believes help to clarify the issue:

He said the basic need is for common agreement that the A&H business is faced with a social problem which one way or another will compel attention as well as solution, if not by private then by some other kind of enterprise. The primary consideration on the part of the A&H business might not be whether measures taken to deal with

the health needs of the agent are profitable or not, but how effective they are in bringing about a solution, even at a sacrifice.

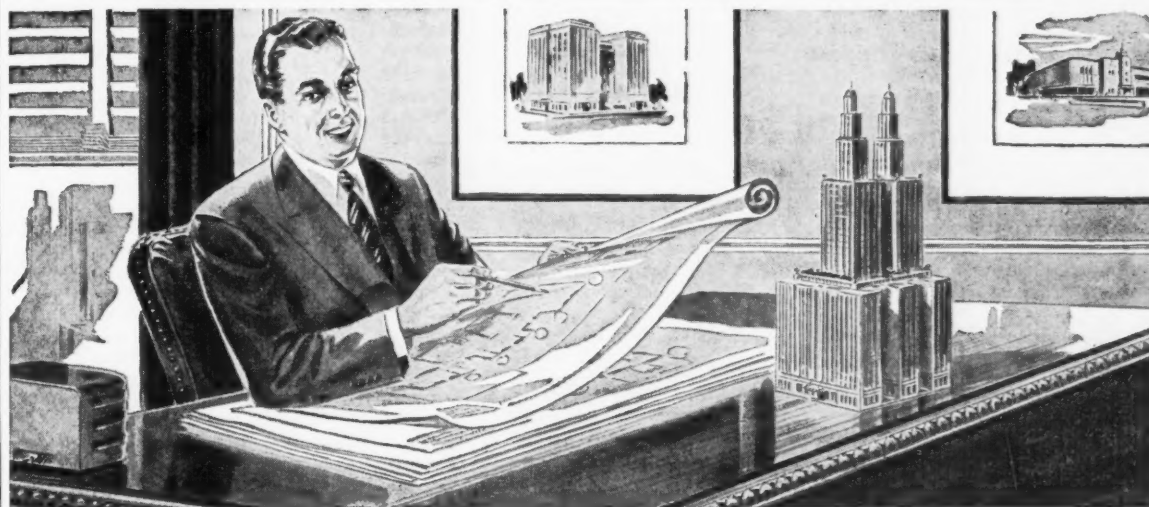
By itself, this recognition is not enough, he went on. Before the business can deal with this problem there must be some data to work with and some research accomplished.

If the A&H business decides to meet the needs of the aged in assuming additional risks, then ways and means must be determined of spreading these risks among its members. He suggested this may mean setting up some kind

of an arrangement, some system of re-insurance provided by the industry itself.

Would Tax Insurer Rental Transactions in Arizona

Auditor Lockwood of Arizona has recommended to the governor that insurance companies receiving rental for properties located in Arizona or profiting from the sale of properties located in Arizona should pay an income tax on this money. Otherwise, all property other than property owned by insurers is placed at a tax disadvantage.



How to get the MOST PROFITABLE, LEAST TROUBLESOME Kind of Clients

The best kind of clients an agent can have are those who own income-producing properties—investors in buildings for the long term. Nice fat premiums and commissions and not too difficult to handle.

How can you get such clients? This depends in part on how able and alert your competitors are. If your competitors are all first-class insurance men who think of all the angles, perhaps you can't win this way. But if all your competitors are *not* on the ball, here's a gold-bond idea.

Obviously people own rental property for the income they get. So while they certainly want the *property* insured against fire and other perils, they should be just as interested in insuring the *income* against the same perils. It helps to be able to replace the property after a loss, but it helps more to continue to get the *income from the property* while it's being repaired or rebuilt. So such people need Rent Insurance.

It isn't hard to sell because it's vital to this class of

insured—and by itself costs very little. If you can find half a dozen or half a hundred such prospects who *don't* have Rent Insurance, you'll have a good chance to get *all* their insurance in appreciation of your efforts in telling them about this protection so important to them.

New Complete Selling Plan

We have just published, in a new issue of our Agency Sales Bulletin, a program for selling Rent Insurance. It tells how to find prospects, how to "warm them up" before you call, and what to say in selling. It gives useful information about the forms involved and shows an attractive 3-color folder we are offering our agents on Rent Insurance. We'll be delighted to mail you a copy of this new Bulletin, and without any obligation on your part. Why not have your secretary complete and mail the coupon below, today, before it slips your mind?



SECURITY INSURANCE COMPANY OF NEW HAVEN
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Outlook Bright for More Coverage on Aged

(CONTINUED FROM PAGE 10)

of a comparatively low expense loading. Mr. Miller said he is not suggesting that the cost of insuring older people should be subsidized by younger policyholders, but rather that every effort be made to keep the cost of continued protection as low as possible by recognizing actual incidence of expenses and by seeking every economy in administration.

For those persons who have not carried A&H insurance until they reach an advanced age, Mr. Miller said here again is a field open to a good many more companies. The need for issuing insurance to older persons will diminish, however, if renewals are permitted without limitation because of age.

For group policyholders, the usual practice is for the retired person to pay the same amount for his continuing coverage regardless of age with the employer absorbing the extra cost. Mr. Miller mentioned that those who have studied the history of assessment insurance or of estimated future cost

trends of group insurance covering retired as well as active employees will recognize the problem of the increased cost burden to the employer. The employer should be given some idea as to the probable future cost of this sort of program so he can determine whether it is something he can reasonably expect to continue.

The suggestion that a higher premium be charged up to age 65 so that insurance would be fully paid up at that time, Mr. Miller said would be simple enough if the contingencies with which the insurers must deal were as simply determined and as free from artificial influences as mortality rates. Changes in medical practice or in the economic situation tend to make this a rather unpredictable outlook. An employer might possibly increase the level of pension benefits so that pensioners would have the means of paying the cost of insurance, and the employer could be of further help by providing his retired employees with a method of group remittance for their insurance.

Discussing the place of government in the coverage of older persons, Mr. Miller said for many years it has

played a major role in furnishing and financing medical care to many citizens through maintenance of institutions for tuberculosis, mental sickness and other chronic ailments, and through public welfare programs. It might be advisable to consider an increase in the maximum amount of medical expense deductible from taxable income, but beyond improvement of established facilities and aids, he said great caution should be exercised in adding to the government's role.

For example, the proposal which has been made to offer hospitalization benefits to OASI beneficiaries, which on the surface seems meritorious, is dangerous when analyzed. Based on the experience in Saskatchewan, the conclusion is that the hospitals would be overburdened with older persons whose needs are for domiciliary care rather than for hospital care. A precedent would be established which would almost inevitably lead to the addition of surgical and medical benefits under this same method of financing, and when the government pays for these services out of a trust fund, it would feel obliged to supervise and regulate the facilities being used and the individuals rendering the service. It would be only one easy step from this to a plan of governmental care.

The same danger is inherent, though less obvious, in the proposal for government subsidy or government reinsurance of health plans, Mr. Miller declared. "It is impossible to receive a subsidy without incurring an obligation, and putting oneself under the authority of the organization giving the subsidy. The government could not and should not pass out money in the form of subsidy or under a reinsurance plan without seeing how it is spent. This would mean checking the care given by hospitals of the methods by which they establish prices. It would mean checking the quality of medical service and physicians' and surgeons' compensation. All the governmental medical plans have the common characteristic of involving the entire population in the form of recommended program, the principal purpose of which is to aid only a segment of the population or to avoid the supposed indignity of a means test. "It is most important that we analyze these issues clearly and seek a direct solution to the specific problem rather than to put everyone under the same blanket in an attempt to help one group," he said.

While current figures indicate that coverage on older persons is less prevalent than among the younger ages, this is not an indication of an inherent limitation in the role of insurance, Mr. Miller went on. Total hospital insurance coverage has increased from less than 25 million to more than 90 million in the last 10 years, and most of it has been among people of working age and their dependents. As these people move into the older age group, carrying their coverage with them, the proportion of people age 65 and over who are insured will increase markedly. Efforts to sell insurance to those already in the older ages will accelerate the extension of coverage in this area.

Agents Assn. Is Reorganized

The Jackson County Assn. of Insurance Agents has been re-organized under the name of Medford Professional Insurance Agents Assn. with E. L. Bartholomew as president, Dick House, vice-president, and F. W. Mason, secretary-treasurer.

Liberty Mutual Fire has named Homer C. Wilson, Atlanta division manager, vice-president.

OL&T, M&C Changes in Conn., Minn.

Revised BI rates for OL&T and M&C in Connecticut and Minnesota have been promulgated by National Bureau, effective Feb. 8. New rates for comprehensive personal liability and farmer's CPL also go into effect in Connecticut.

In Connecticut, the rate for CPL, including initial residence premises, is increased from \$10 to \$15; that including initial residence premises with incidental professional occupancy, from \$15 to \$20; including initial two family dwelling premises, from \$13 to \$18; and including initial two family dwelling premises with incidental professional occupancy, from \$18 to \$23. The rate for farmers CPL, including initial farm premises, is increased from \$10 to \$16.

OL&T changes affect classes rated on an area and frontage basis. The revisions result in statewide average percentage changes as follows:

In Connecticut OL&T rates are up 7.2%, M&C down 13.7%, and in Minnesota OL&T up 6.3% and M&C up 5.7%.

Hospital Cancellation Problem in Virginia

A group of insurance men and W. Ray Rouse, member of the Virginia house, met at Richmond to discuss ways of protecting hospitalization policyholders from reported unjust treatment by agents and companies. Rouse said he had received numerous complaints about unjustified cancellation of policies or denial of payments on the grounds of pre-existing physical defects.

Bills are being considered to prohibit cancellation of hospitalization policies before the end of the period for which premiums have been paid and to require agents to pass a state qualification test before being allowed to sell the insurance.

Nathan Metzger, president of Richmond Assn. of H&A Underwriters, said his organization had a resolution calling for compulsory qualification examinations.

Much of the problem of misinformation about terms of policies stems from inadequately trained agents, insurance men said.

They also said that no new legislation is needed until a bill, passed in 1952, dealing with the provisions which must be stated in policies, becomes fully effective in 1956.

Shifts to Quarterly Dividends

American Fire & Casualty has shifted to a quarterly dividend basis at the rate of \$1 per share annually. The quarterly payments of 25¢ are payable Feb. 15 to holders of record Feb. 3, April 15, July 15 and Oct. 15.

Gill Is G. A. at Rochester

Stanley S. Gill has been named general agent at Rochester, N. Y., by Massachusetts Indemnity. He formerly was general agent in southern Connecticut and agency field supervisor in western New York.

Thomas Bates was elected vice-president of Hingham Mutual Fire. He joined the company in 1934 and has been a director and secretary. He is on the legislative committee of Mutual Fire Insurance Assn. of New England.

J. R. Coarsey, owner of Madison Real Estate Co., and John Dodd, local agent there for several years, have formed the Coarsey-Dodd agency with offices at 321 Gallatin road, Madison, Tenn.

A bill has been introduced in the New York Legislature to double the amount of liability required of taxicabs, from 5/10 to 10/20.

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(CONTINUED FROM PAGE 11)

had not been, failing to inform an insurer there was other insurance on the risk when the policy provided it would be void in such event unless other insurance was expressly permitted by rider.

As a representative of insured, the broker is bound to disclose to the insurer all material facts of which he has knowledge bearing upon the risk and which he knows insurer would deem material in connection with underwriting the risk. Failure to make such disclosure or making a material misstatement may subsequently render the insurance void.

There are many statutory provisions which regulate the conduct of brokers. He noted there is no statutory prohibition against a broker acting as adjuster for his client for compensation under a written agreement in connection with claims other than those arising from fires, but such cases will be scrutinized carefully by supervisory officials when they arise upon complaint, he warned. There is no prohibition against a broker adjusting any insurance loss or claim of his client, without compensation. A number of brokers and brokerage firms offer adjusting facilities to clients on lines they handle without compensation. A professional broker may think it his duty at least to supervise adjustment of loss claims under policies he has negotiated, as part of his service.

Recently Mr. Gross noted several instances in which over-zealous brokers wrote claim letters to third parties in accident cases, where third parties were alleged to have been negligent, causing injury to insured or damage to his property. Such actions are decidedly outside the broker's province, he declared. The broker renders himself subject to disciplinary action and vulnerable to other legal consequences. Also, his inept action may prejudice his client's rights.

Mr. Gross believes that whatever evils or deficiencies lie in the profession must be stamped out from within. Brokers must make a concentrated effort individually and collectively, by self-discipline and self-government, to raise the level of their calling.

L. A. Insurance Day Set

May 26 has been chosen as the date for the annual Greater Los Angeles Insurance Day. Chairman of the arrangements committee is James P. Bennett.

Dallas Agents Woo Suburbs

Dallas Assn. of Insurance Agents has opened its membership to stock company agents in suburban towns in the county who are members of Texas Assn. of Insurance Agents.

Menlo Park, Cal., Agents Elect

Menlo Park, Cal., District of Insurance Agents has elected as officers for 1954, president, John C. McCracken, Menlo Park; vice president, Jay Finley, East Palo Alto; secretary-treasurer, Rufus S. Tufts, Menlo Park.

Good Year for Selected Risks

Selected Risks Indemnity and Selected Risks Fire of Branchville, N. J., had assets of \$9,021,550 at the end of 1953 on consolidated basis, a rise of \$1,897,360. The two companies wrote \$7,515,902 in premiums, a 26.2% increase. Underwriting profit was \$314,401. The loss ratio for the indemnity company was 58.7, compared with 65.1 the year before, while the expense ra-

tio increased from 31 to 32.1. For the fire company the loss ratio increased from 40.2 to 47.4 and the expense ratio declined from 38 to 37.5.

The companies declared a 10% stock dividend last November and sold 8,500 additional shares to raise capital from \$650,000 to \$800,000 and add \$147,500 to surplus. The companies have moved into their new home office and are planning to have open house for agents this spring.

L. A. Accountants Elect

Los Angeles chapter of Insurance Accounting & Statistical Assn. has elected these officers for 1954: President, Robert Webb, Prudential; vice-president, George Hedden, Founders' Ins. Co.; vice-president life and accident, Robert H. Harner, Pacific Mutual Life; and secretary-treasurer, Ivan J. Houston, Golden State Mutual Life.

Phillips Heads Toronto Agents

Eric H. Phillips was elected president at the annual meeting of Toronto (Ont.) Insurance Agents Assn.; Bert F. Walters and Stephen C. Curtis vice-presidents; and John G. Portch, Charles R. Harris, Vincent E. Wilson, Edward C. Eberatt, Fred W. Bennett and F. Rea Hearne, directors.

Ariz. Bill Plans to Set Up Separate Insurance Unit

As a supplement to the proposed new Arizona insurance code, there has been introduced in the legislature a bill to set up a separate department of insurance under which the governor would appoint the director with the advice and consent of the senate. Salary would not exceed \$9,600 a year, and the director would serve a four-year term. The bill provides that George Bushnell, the present commissioner-appointed director, would continue in the new office until a successor is named, which cannot be until Jan. 1, 1955.

The bill provides that the office of the director will be a full-time position and that he shall not serve on or under any political party committee or engage in any political campaign.

Offer N. Y. Courses

NEW YORK—Thirteen insurance courses, designed to help people in the business and executives who want a general knowledge of insurance in their administrative problems, will be offered by City College's school of business beginning Feb. 10. Courses

will be given in principles and practice, general insurance underwriting and adjusting insurance losses, with specialized courses in fire, casualty and suretyship, group and pension, inland marine, ocean marine, life, workmen's compensation and disability, social security and A&H. Applicants who wish to take these evening courses may register at City College, 17 Lexington avenue, New York City.

Moore to Texas Board as Agency License Chief

Joe S. Moore, former assistant attorney general of Texas and now with Ned McDaniel Austin attorney, has been appointed chairman of the agency licensing division of Texas Board of Insurance Commissioners, succeeding Mrs. Marie Q. Chambers, who resigned recently on the advice of her physician. He will take his post March 10.

Mr. Moore, who is the son of the late State Senator Moore of Austin, was in the state attorney general's office for nearly five years. Prior to that he had been a claims attorney for insurance companies.

Howell & Daniel is a new local agency at 1012 Sixth street, in Alexandria, La.

PEPPY FREDDY, the fieldman, says:



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102 East 9th Street
Kansas City, Mo.

Surety Bond Producers Ready Program for L. A. Meeting Feb. 25

A broad survey of issues of importance to the surety business and the construction industry will feature the annual meeting of National Assn. of Surety Bond Producers at Los Angeles, Feb. 25-27. The three-day program is expected to attract leading surety bond producers from all sections of the country as well as surety executives and other interested officials.

With Speed Warner, Kansas City, presiding, the opening session will present C. F. J. Harrington, executive vice-president, National Assn. of Casualty & Surety Agents, who will speak on "Uniform Accounting"; Edward H. Cushman, Philadelphia, NASBP general counsel, on "The New Uniform Commercial Code Improving the Open Indemnity Agreement"; and Elmer C. Anderson, assistant secretary, Surety Assn. of America, who will discuss recent developments in the surety business. Marshall Frost, American International Underwriters, and Robert M.

Toelle, New York, American Foreign Insurance Assn., will outline insurance facilities in foreign lands, and Henry C. Young, Washington, D. C., agent, will report on the federal housing program.

The Feb. 26 session will be a joint meeting with surety company executives and representatives of other producers' organizations.

Del E. Webb, president of Del E. Webb Construction Co., Phoenix, will talk on "Contractor's Surety Market"; E. Kemp Cathcart, vice-president, Maryland Casualty, "Outlook for Contract Bonds During 1954"; Conrad Jamieson, Los Angeles, manager, research department, Security First National Bank, "Our Economic Trend"; Newton Anderson, Los Angeles attorney, "Surety Problems of Today"; Laurent A. Loustau, San Francisco, president, Insurance Brokers Exchange of California, "Let's Talk About Commissions"; and Speed Warner, "Company and Producer Relations".

The closing session Feb. 27 will be devoted to conference discussions, committee reports, and election of officers.

R. B. Jones & Sons Elects New V-Ps

Seven new vice-presidents have been elected by R. B. Jones & Sons of Kansas City. The move was made to advance younger men to more responsible positions. The average age of the new VPs is 39.

Those who were elected are Robert A. Braddock, assistant managing director; Dana Durand, C. W. Jones, Cliff C. Jones, Jr., Morton M. Jones, and Ward Mannion. Moulton Green was elected chairman of the executive committee, and John W. Starr, a vice-president, was named treasurer also. Mr. Green will remain a vice-president for corporate purposes.

Wis. Makes U&O Changes

Wisconsin Fire Insurance Rating Bureau has issued rule book changes to cover business interruption with no co-insurance. The terms of the contract limit recovery under the policy to 25% of coverage for any one month. Rates used will be the gross fire, extended coverage and V&MM rates applying to the building.

John Leibig Joins National A.&H. as V-P.

John F. Leibig has been elected vice-president in charge of agencies, underwriting and advertising of National Accident & Health of Philadelphia.

Mr. Leibig graduated from Girard College and Temple university law school. He was with Standard Accident and later for 17 years with S. Z. Goodstein general agency of Philadelphia. He went to the home office of Continental Casualty in 1945 as director of training and assistant vice-president in charge of A. & H. branch offices.

He is a charter member and past president of the Philadelphia A.&H. Underwriters Club.

National A. & H. this year went into the life field.

American Casualty Has Four Philadelphia Changes

William M. Thompson, Jr., has been appointed manager at Philadelphia for American Casualty Co. Earle R. Coe is resident vice-president at Philadelphia and William Stewart is manager for the fire company. Mr. Thompson is recently been manager at Washington, D. C., for another company.

Edgar B. Therasse, who has been on the underwriting staff at Philadelphia, has been advanced to assistant casualty manager. He graduated from the University of Pennsylvania and has been in the casualty business for six years, three with American Casualty.

Andrew Creighton has been promoted to field representative in the Philadelphia metropolitan area. He has been with the group for seven years as an underwriter.

Archibald C. Gernert has been named representative in Delaware and Maryland. He graduated from Dartmouth and was in the navy before going into insurance seven years ago.

Okla. Bootlegger Still Wants Auto Cover

Russell G. Cofer, the so-called "bicycle bootlegger" of Oklahoma City, said he was deprived of insurance under the assigned risk plan without due process of law. He contends that the insurer failed to set forth any specific reason why his policy was cancelled, and he goes on to claim the state financial responsibility law is unconstitutional.

Commissioner Dickey sustained the action of the A. R. governing committee in approving cancellation of the policy by St. Paul-Mercury Indemnity because Cofer failed to list on his application two driving offenses—one of driving without a license and the other of speeding and driving without a license. It is reported that Cofer has more than 200 traffic arrests on his record, and several years ago after he was deprived of his license he took to using a bicycle. He was promptly arrested for running through a stop sign.

Alexander-Penley agency has been organized in Sandston, Va. Officers are A. J. Penley, president; Margaret T. Penley, vice-president; and Wilmarth E. Alexander, secretary.

Robert S. Brown, whose father Garfield W. Brown is a former Minnesota commissioner, has entered the local agency business at Park Rapids, Minn.

Pierce Agency, Christiansburg, Va., is celebrating its 60th year. Edward D. Pierce and Julia B. Pierce are the agents.

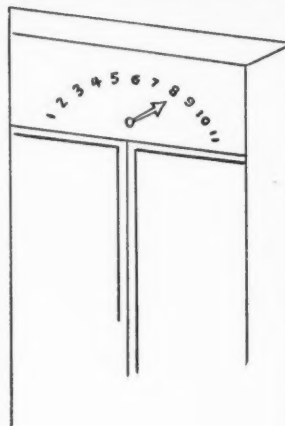
Examination dates for Casualty Actuarial Society have been changed from May 11-12 to May 13-14.

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Record Attendance for Conference Chicago Meets

(CONTINUED FROM PAGE 1)

lives there are certain segments of the population that can never be covered by private insurance, and these are the people with low incomes, and persons who are uninsurable by reason of physical conditions. Where the insurance companies can fill the need, the business should be left alone, he said, but in those areas in which insurance is unable to operate, some sound outside help is needed.

Don R. Hodder, Woodmen Accident, chairman of the hospital-medical committee, explained that the program for the hospital session puts all the eggs in one basket. But he said, the subject is important and is hot. The Wolverton committee is studying the problem and legislation on it has been introduced through that committee.

Talks on the problem of A&H insurance for older people were given by Charles N. Walker, assistant actuary of Lincoln National Life; John H. Miller, vice-president of Monarch Life; Mrs. Elizabeth Breckinridge, Illinois public aid commission; Gerhard Hirschfeld, Research Council for Economic Security, and Dr. Frank G. Dickinson, director of medical economic research bureau of American Medical Assn.

Mr. Walker summarized a report of April, 1953, on hospital care for the aged that was put out by I. S. Falk, and Agnes W. Brewster of the U. S. Department of Health, Education & Welfare. Mr. Walker pointed out that there are a number of weaknesses in the report, the chief one being caused by the fact that it is based on a very small sample of the population.

There have been remarkable strides in insuring older persons for hospitalization, Mr. Walker noted. However, the report indicated the belief that unless the hospital bill is paid nearly in full, insurance is inadequate. He took issue with this, noting it is a widespread theory, whereas insurance should only pay for medical care dollars the insured cannot pay for himself. Otherwise, insurance is only a sugar bowl on the shelf, and at that it has a leak in it, letting the sugar run out to pay for administrative and distribution costs.

Mrs. Elizabeth Breckinridge, who is a consultant on aging in the division of program planning of Illinois public aid commission, suggested that private enterprise give serious thought to expansion and improvement of health services in the fields of preventive and diagnostic care, including health education and counselling, positive rehabilitation programs even for very old persons, and provision of auxiliary home care programs.

The insurance companies have a part to play in this, she said, mentioning that many older persons on retirement find it impossible to continue their health coverages at a time when illness may be the most important cause of reduction of personal savings. Without insurance coverage, many older people delay going to see a doctor because of the expense, until they succumb to serious illness which could have been avoided.

The insurers would be making a wise public relations move, according to Mrs. Breckinridge, if they would finance additional research on the expense of including older persons in

health plans.

She said health insurance companies can do a better job in promoting health education programs for the aged. "Would it be possible for insurance companies to experiment in establishing such preventive and diagnostic services?" she asked.

The conference was host at a cocktail party Monday evening, and next morning the group meeting got under way at 8 a.m. at five separate breakfast sessions covering such topics as trade association group, extended maternity, claim reserves, blanket coverages and fringe benefits. The same idea was carried over to the second morning, and each day the pertinent ideas brought out at these gatherings were summarized after the luncheon.

George N. Watson, Crown Life, chairman of the group committee, presided on Tuesday as the session opened with a panel discussion of small group cases. There was talk on transferred business by Fred W. Clark

1,000 at "Country" Companies Rally

A strong program for the annual convention at Chicago of the Country Mutual companies attracted nearly 1,000 agents, officials and farm bureau leaders.

All three companies comprising the group, Country Mutual Fire, Country Mutual Casualty and Country Life, registered gains in 1953, and with the marking of the latter's 25th anniversary, all now have been in operation a quarter of a century or more.

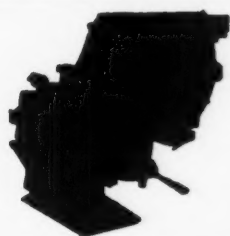
In addition to several sales talks by home office officials and leading producers, program participants were Charles B. Shuman, president of Illinois Agricultural Assn.; Duane E. Kuntz, Frank V. Wilcox and Darrell L. Achenbach, general managers, respectively, for the life, casualty and fire companies; Rockwell C. Smith, Garrett Biblical Institute; W. H. Alex-

ander, pastor of First Christian Church, Oklahoma City; C. H. Moses, chairman of Arkansas Power & Light Co., and R. H. Montgomery, University of Texas.

Country Mutual Casualty written premiums in 1953 amounted to \$15,464,000, and at the year end assets stood at \$19,209,000 and surplus at \$4,874,000. Written premiums for Country Mutual Fire totaled \$10,681,000. Assets amounted to \$19,494,000 and surplus to \$6,484,000.

Shape Up LIAMA A&H Card

The program is being shaped up for the A. & H. meeting of Life Insurance Agency Management Assn. to be held March 17-19 at Chicago. Opening speaker will be Dr. Ralph H. Blanchard, dean of the graduate school of business at Columbia University. New markets, training and persistency will be discussed in detail, and there will be an open forum Thursday evening with four well-qualified A&H men available to answer questions.



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of Lincoln National, and at the luncheon the address was given by Robert W. Kneebone, vice-president of National Bank of Commerce of Houston. In the afternoon there was another panel discussion, this one on effective administration of group plans.

Martin E. Segal, the group consultant of New York, discussed labor-management trustees welfare plans to open the Wednesday session, and this was followed by talks by E. J. Faulkner, president of Woodmen Accident, on the role of insurance companies in the national health picture; George H. Hipp, group manager of Employers Mutual Liability, on standard fee schedules and prepaid medical plans; Ray Brown, superintendent at the University of Chicago clinics, and A. B. Cook, administrator of Evanston Hospital Assn., on the role of hospitals in voluntary insurance and Dr. P. E. Hopkins, chairman of the committee on prepayment hospital and medical service of American Medical Assn., on the role of the medical profession in voluntary insurance.

During the afternoon there were talks on sales and service of group insurance.

The conference executive committee meeting Sunday admitted two new companies to membership, Crown Life and Mutual Life of Canada.

Correct Hoffberg Number

An incorrect number was listed for Phil Hoffberg & Co., public adjuster, in the 1954 Chicago Insurance Telephone Directory. The correct number for Hoffberg & Co. is Webster 9-4064. Mr. Hoffberg, who has offices at A-1410 Insurance Exchange building, has been in the adjusting field for many years.

Insurance Women's Club of Great Falls, Mont., is sponsoring the introductory educational course of NAIA and has an enrollment of 59 students.

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Travelers Transfers 3 After Platt Retires As Manager at L. A.

Travelers has made several changes in casualty, fidelity and surety lines since the retirement of Myron N. Platt, manager at Los Angeles.

Marvin S. Harlan, manager at Dallas, transferred to Los Angeles as manager



Myron N. Platt



Marvin S. Harlan

and Alden L. Lancaster, manager at Little Rock, has been named manager at Dallas. Emmet Seibels, assistant manager at Louisville, was promoted to manager at Little Rock.

Mr. Platt joined Travelers in 1913, became a special agent in New York City in 1914 and subsequently was manager at Denver, Kansas City and Hartford. Later he was manager of compensation and liability lines at New York City and then manager at Los Angeles.

Mr. Harlan joined the company as field supervisor at Kansas City in 1929, moved to South Bend after several promotions and then transferred to Dallas



Alden L. Lancaster



Emmet Seibels

in 1942. He is a charter member of Insurance Club of Dallas, a member of Texas Advisory Committee and Texas workmen's compensation assigned risk pool committee.

Mr. Lancaster began his career with Travelers in 1938, and later was named field supervisor at New Orleans and at Houston. After serving in the Navy, he returned to Houston, was promoted to assistant manager there and later became manager at Little Rock.

Mr. Seibels became associated with Travelers in 1938 and was named field supervisor at Louisville before he went into the army. After the second world war he returned to Louisville and was named assistant manager in 1949.

Travelers has also appointed John T. Watkins, Jr., as instructor in the training, sales research and promotion division of the casualty, fidelity and surety and fire and marine agency departments. He will also be on the faculty of the company school.

Grand Gander Visits East Coast Ponds

John Henry Martin, San Francisco, most loyal grand gander of Blue Goose, visited ponds on the east coast and was honored at dinners in New York City, Philadelphia and Atlanta.

At a luncheon in New York City Mr. Martin presented certificates from the grand nest to past most loyal ganders present.

Socialization?

Brokers Tackle Union Coercion of WC Risks.

NEW YORK--The filing by Greater New York Brokers Assn. of a complaint asking that the state fund and the superintendent of insurance proceed to find out from the New York attorney general whether or not a union-contractor agreement under which the contractors dropped workmen's compensation in private insurers and placed it in the state fund on a group case basis is or is not legal, serves to focus attention on one of the most drastic steps in the direction of socialization that has been taken in a long time, even in New York.

The brokers filed their complaint through the law firm of Danahy, Delaney & Minetti, and it is apparent that they are determined to get an answer to their inquiry.

In their complaint, the brokers charged that a provision of the labor agreement, effective Jan. 1, between the joint industry board of the electrical industry and local 3 of International Brotherhood of Electrical Workers violates the federal and state anti-trust statutes, the national labor relations act and the general business laws of the state which prohibit illegal restraint of trade.

The provision in the agreement which the brokers are aiming at forces about 600 electrical contractors to shift their WC to the state fund, which is operated by the state and which writes WC and non-occupational disability. This is said to be a unique provision in the history of labor-management agreements.

The brokers have asked both the state fund and the insurance department for an opportunity to present their views at hearings.

The brokers charge that the contractors have been deprived of the free right of contract and free choice of insurance producers and of placing their WC insurance with whatever insurer they may desire. Under the proviso the electrical contractors become a part of safety trade group No. 462 of the state fund as their existing policies expire. Failure of an employer to comply with this provision places him in danger of retaliatory action by the union, according to the brokers.

If the agreement goes unchallenged, the brokers point out, nothing would prevent subsequent labor agreements from directing that all insurance be purchased through designated individuals or groups, licensed or unlicensed. There would be nothing to prevent labor agreements from directing and forcing employers to buy other commodities and services from individuals designated in the so-called labor agreement.

They charge that the union has exceeded its authority in making the WC provision a part of the labor agreement. State and national labor relations acts limit labor agreements to matters affecting wages and working conditions and any attempt to direct other parties to the agreement as to where they may purchase any commodities or services, including insurance violates the constitution of the state and of the nation. Violation of the state insurance law is also charged, specifically in section 111 which prohibits negotiation of a policy of this kind by any person or group except a licensed producer.

Chicagoans to Hear Coursey

William G. Coursey, managing director of International Assn. of A. & H. Underwriters, will address the Feb. 16 meeting of Chicago A&H Assn. on "Successful Sales Aids."

R. V. Ricketts, director of the Texas assigned risk plan, addressed the February meeting of Insurance Women of Austin.

Calls N. Y. Compulsory Bill a Bad One, Sees Many Weaknesses

C. F. J. Harrington, who has been lambasting compulsory in his recent talks, hit it again at the brokers joint council meeting in New York.

The executive vice-president of National Assn. of Casualty & Surety Agents said an overloaded trial docket is inevitable under compulsory and the cost of settling cases increases the longer they are outstanding. Despite efforts to cure court congestion it still takes years to obtain a jury trial. Meanwhile company reserves are required by statute to be increased when suit is entered, further increased reserves are required as the case grows older. This places a heavy strain on the finances of insurers.

Though it doesn't increase accident frequency, he said, compulsory does increase claim frequency and it increases the average cost of settling claims. The knowledge that everyone is compelled to buy auto insurance seems to encourage those sustaining real or fancied injuries to make claims regardless of responsibility for the accident. The custom of exaggerating injuries and disclaiming responsibility for accidents becomes the order of the day.

All this increases rates. In Massachusetts they have constantly increased over the years, compared with New York and New Jersey.

In Massachusetts the commission to general agents and branch offices was reduced from 25% to 17.2% when compulsory started. The commissioner denied he reduced the commission. What he did was reduce the total expense loading, stating he was not concerned with how the companies distributed the expense portion. Later the commission shrunk to 12%. Today the commission ranges from 7% in the higher rated territories to 11% in the lower rated territories. The general agency commission stays at 12%.

With the duty of executing insurance certificates, extending credit and assuming any credit losses there are only a few of the obligations which increase producers' overhead. There can be no back dating of cancellations. Once the certificate is executed an earned premium must be paid to insurer for the period the insurance is in force. Cancellation can't become effective for at least 20 days. Unless the down payment is sufficient to cover earned premium, the producer pockets the loss. He knows of no company which will continue to do business with a producer who does not agree to this requirement.

Compulsory was enacted though the question of traffic safety was the primary problem confronting the committee that dealt with the subject. Compulsory was described as a palliative, not a remedy, by a committee named by the then President Hoover to study the question.

Mr. Harrington said the New York bill is not a good one. In fact, trying to meet the objections to the one in Massachusetts, the New York bill creates new serious problems for insurers, administrators and the public. He doubts the bill can extend the compulsory cover beyond state boundaries.

Nothing in the bill will prevent a reduction in producers' remuneration, or that prohibits insurers from filing rates with a reduced acquisition cost. A non-resident may file a policy is-

sued by an insurer authorized by his state but not by New York. The bill does not set up minimum financial standards to be observed by such unauthorized foreign insurer. Is this a double standard?

He suggested that authorizing weak companies to provide compulsory cover for New York citizens constitutes a furtherance of the collapsible economy problem which cost Massachusetts citizens so dearly.

A certificate of insurance is of little value if it does not expire concurrently with the registration. A co-terminous provision was undoubtedly omitted from the New York bill to meet the wishes of undisclosed insurers participating in the preparation of the bill. A common expiration date would impose heavy burdens but one would not be necessary if the law requiring registration were changed to permit registrations to expire throughout the year.

Not only rate making but claim settlement as well gets into politics under compulsory.

The public policy of New York has been to provide for state fund, he said.

F. & D. Has Fine Year, Near 1950 Peak

The annual report of Fidelity & Deposit shows net income in 1953 of \$3,816,035, an increase of \$633,929 and within \$66,638 of equalling the peak results achieved in 1950.

Net earnings, after providing for taxes and miscellaneous reserves, were \$2,382,965 or \$7.94 a share. This compares with \$2,004,714, or \$6.68 a share in 1952.

Gross premium writings increased over 1952 and amounted to \$23,410,040. However, payment to other companies during the year of a substantially larger volume of reinsurance and coinsurance premiums had the effect of reducing the company's net writings to \$16,854,179, \$400,925 less than the previous year.

Earned premiums last year totaled \$17,379,390, or \$13,335 less.

Losses incurred during the year amounted to \$5,261,229, producing a ratio to earned premiums of 30.3%.

Operating expenses increased slightly and amounted to 58% of net premi-

ums written.

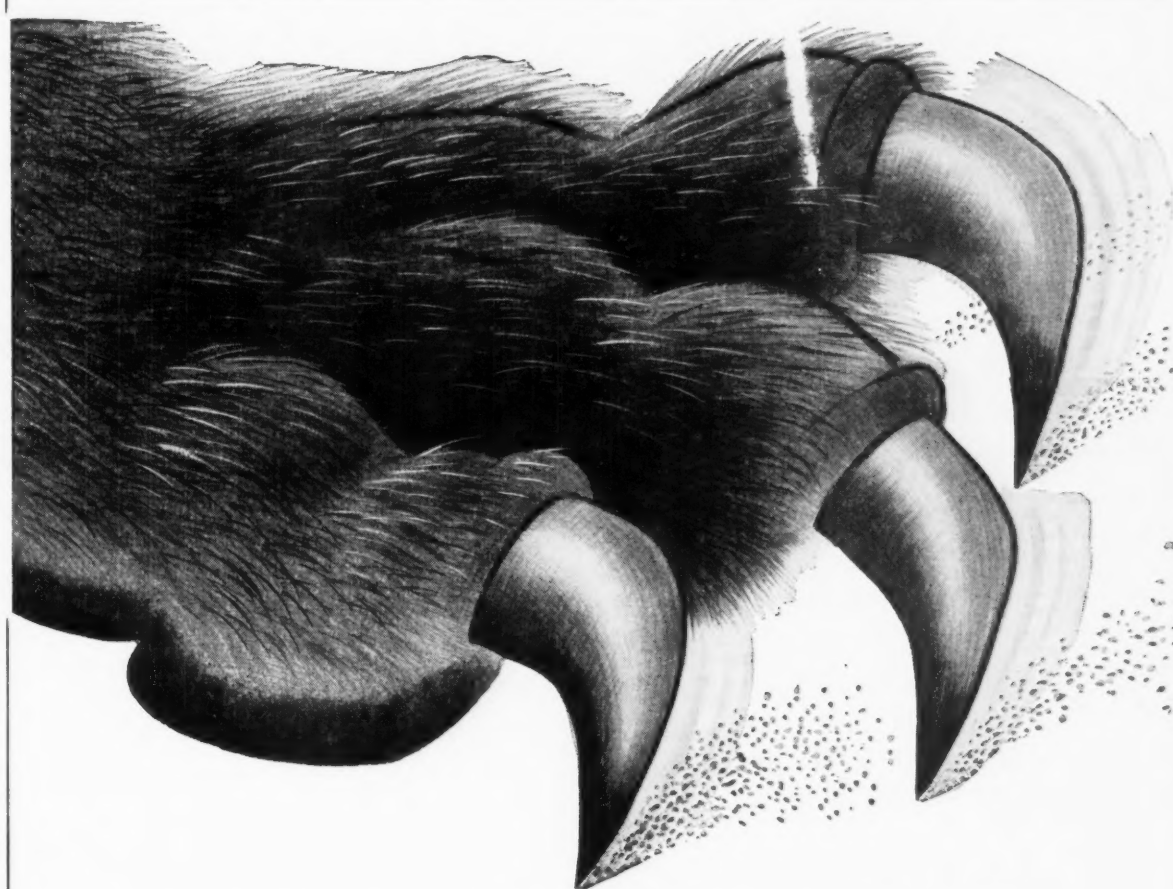
After providing for all statutory and other necessary reserves, the company's net gain from its underwriting operations in 1953 amounted to \$2,341,227, an increase of \$568,549.

Total investment income, excluding profit from sale of securities, was \$1,478,618 before taxes, compared with \$1,295,639.

Cash dividend payments in 1953 were \$3 a share. This compares with total payments in 1952 of \$3.25 a share, which included an extra 65 cents. The company, in December, declared a regular quarterly dividend of 75 cents, plus an extra 25 cents a share, both paid Jan. 30, and in addition a 33 1/3% stock dividend to be distributed March 31.

After setting aside \$300,000 to cover the January regular and extra dividends, plus a reserve of \$1 million to cover the stock dividend, the company added \$407,965 to surplus from earnings. The surplus as of Dec. 31 was \$18,798,228.

Assets increased by \$3,434,442 to a total of \$58,946,915.



Once it gets a foothold, fire rips into a plant like a monstrous claw. That means every hazard... flammable liquids, electrical equipment as well as ordinary combustibles... should be guarded with Kidde Portable Extinguishers or Built-in Systems.

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Trinity Universal Has One of Best Years

Trinity Universal climaxed one of the best years in its history by approving a 20% stock dividend, providing for the issuance of 25,000 shares of additional stock with a par value of \$10 per share and the transfer of \$250,000 from surplus to capital, thereby increasing the capital of the company to \$1,500,000.

The directors also declared a cash dividend of \$1 per share, including the new stock, payable quarterly.

Premiums written in 1953 were in excess of \$15 million, a new all-time high. Total assets of \$25,500,000 also were at a new high. Policyholders' surplus amounted to \$7,875,000, an increase of \$890,000.

Satisfactory operating results also were reported for Security National Fire, stock-owned affiliate of Trinity Universal.

Withers, Bell Hartford Fire Special Agents

Hartford Fire has appointed two new special agents—James J. Withers for Arizona with headquarters in the Phoenix office, and Robert J. Bell for Montana with headquarters in the Great Falls office.

Mr. Withers has had several years experience in the fire and marine departments at Pacific department headquarters. He has been with Hartford since release from naval service in the second world war. He will now be associated with Wallace B. Perry, long-time Hartford veteran.

Mr. Bell, with Hartford for several years, has had considerable experience in the fire and marine departments. He will be with Werner Bloombach, Hartford veteran special agent in Montana. Mr. Bell's father is special agent for Hartford in South Dakota.

Mass. Driver Training Bill Signed in Law

Massachusetts cities and towns now can officially present evening courses in automobile driving for persons under 25. The bill providing for school committees to fix reasonable rates for tuition or to give the courses free was signed by Gov. Herter.

The law will allow drivers under 25 to obtain certificates to get rebates on the 60% additional charge on compulsory auto for their own cars or for vehicles owned by another but driven by them.

Continental Casualty Cuts Air Trip Policy Rates 20%

Continental Casualty has reduced by 20% its rates for air trip insurance. This is the coverage sold in amounts up to \$50,000 at the airports and which is handled by Airport Sales Corp., an affiliate of Parker & Co. of Philadelphia. The policies are sold at personally attended sales booths at the airports and through policy vending machines.

The \$50,000 policy has cost \$2.50 per round trip coverage by air anywhere in the U. S. and adjoining countries, including Venezuela and Columbia, and the new rate is \$2.

AFL Asks Locals to Watch Handling of Welfare Plans

At Miami the AFL executive council adopted a recommendation that all affiliates adopt procedures to insure proper administration of health and welfare funds.

Clermont Agents Hear McMackin

Clermont County (Ohio) Assn. of Insurance Agents heard a talk on com-

petition and new forms by Bernard P. McMackin, Jr., assistant editor of the "Fire, Casualty & Surety Bulletins." The meeting was conducted by L. L. Harding, Jr., Milford, president of the association, with W. H. Quinn, vice-president.

The association has scheduled an office methods clinic for March 24 at Milford.

N. Y. Okays New U&O

The New York insurance department has approved the new, no-coinsurance earnings form for small mercantile and service risks, as filed by New York Fire Insurance Rating Org.

The fire rate for the new form is 150% of the 80% coinsurance building rate outside New York City, and in New York City the contents rate. The extended coverage rate for the new form is 150% of the applicable EC and vandalism and malicious mischief rate, both in New York City and outside of New York City.

Convention Dates

Feb. 24-26, Michigan Agents, midyear, Sheraton-Cadillac hotel, Detroit.

March 3-4, Fire Underwriters Assn. of the Pacific, annual, Palace hotel, San Francisco.

March 9, Pittsburgh Insurance Day, William Penn hotel.

March 12-13, Tri-State Mutual Agents Assn., Lord Baltimore hotel, Baltimore.

March 15-17, NAIC zone 3, Buena Vista hotel, Biloxi, Miss.

March 21-23, National Assn. of Insurance Agents, Midwest Territorial Conference, Louisville.

March 24-26, Transportation Insurance Rating Bureau, underwriting conference, Edgewater Beach hotel, Chicago.

March 30-31, National Assn. of Mutual Insurance Agents, mid-year, Flamingo hotel, Miami Beach, Fla.

April 1-2, New Jersey Agents, mid-year, Berkeley-Carteret hotel, Asbury Park.

April 12-14, NAIA, far west territorial conference and mid-year meeting of national board of state directors, Seattle.

April 13-15, Western Underwriters Assn., annual, Greenbrier hotel, White Sulphur Springs, W. Va.

April 25-27, Alabama Agents, annual, Mobile.

May 3-6, H. & A. Underwriters Conference, annual, Hotel Roosevelt, New Orleans, La.

May 11-13, Iowa Agents, annual, Des Moines.

May 14-15, Oklahoma Agents, annual, Mayo hotel, Tulsa.

May 14-15, Texas Agents, annual, Fort Worth.

May 24-26, American Management Assn., insurance division, Hotel Statler, New York City.

June 5, NAIC zone 4, Sheraton-Cadillac hotel, Detroit.

June 7-11, National Assn. of Insurance Commissioners, annual, Sheraton-Cadillac hotel, Detroit.

June 10-11, Missouri Assn. of Mutual Insurance Agents, Chase hotel, St. Louis.

June 12-16, International Assn. of A & H Underwriters, annual, Omaha.

June 21, Connecticut Agents, midyear, Hotel Griswold, Groton.

June 24-26, National Assn. of Independent Insurance Adjusters, annual, Claridge hotel, Atlantic City.

Aug. 11-14, Federation of Insurance Counsel, Schroeder hotel, Milwaukee.

Aug. 29-31, Washington Agents, annual, Davenport hotel, Spokane.

Sept. 1-3, Oregon Agents, annual, Klamath Falls.

Sept. 10-11, New Mexico Agents, annual, Albuquerque.

Sept. 13-15, International Claim Assn., annual, Wentworth By-the-Sea, Portsmouth, N. H.

Sept. 17-18, Louisiana Assn. of Mutual Insurance Agents, annual, Lake Charles, La.

Sept. 17-18, New Jersey Agents, annual, Haddon Hall hotel, Atlantic City.

Sept. 29-Oct. 1, National Society of Chartered Property and Casualty Underwriters, annual, Palmer House, Chicago.

Oct. 3-6, National Assn. of Insurance Agents, annual, Chicago.

Oct. 18-20, Wisconsin Agents, annual, Hotel Schroeder.

Oct. 20-22, Insurance Accountants Assn., annual, Hotel Kenmore, Boston.

Oct. 26-28, California Agents, annual, Palace hotel, San Francisco.

Oct. 28, Connecticut Agents, annual, Hotel Statler, Hartford.

Nov. 15-17, Indiana Agents, annual, Claypool hotel, Indianapolis.

Langer Mail Order A&H Inquiry is Reviewed

(CONTINUED FROM PAGE 1)
between public law 15 and section 6 of the FTC act under which the investigation is being conducted. But even if there were, FTC feels it could proceed on advertising material shipped interstate.

FTC has given priority status to its A&H investigation. It has the money to do the job. It says it is not interested in anything dealing with negotiation of a master group plan connected with an employer's program involving protection of employees.

Companies are said to be cooperating with FTC in furnishing ads for its study.

Insurance people are disappointed at Senator Langer's decision to resume the mail order investigation. They say that when the FTC A&H investigation plan was made known, it was suggested by Langer himself that the FTC be left to carry the ball and his committee would lay off. This was agreeable to the business people, who say it was definitely part of the understanding under which the industry is co-operating with FTC.

That cooperation, however, does not concede jurisdiction of FTC to regulate A&H generally. If FTC attempts the latter, industry representatives here say there will be a hell of a fight.

Meanwhile, however, the industry is going along with FTC, hoping to avoid too unfavorable publicity even if all A&H business is not given a completely clean bill of health in the FTC report.

STOCKS

	Div.	Bid	Asked
135 So. LaSalle St., Chicago, Feb. 9, 1954.			
By H. W. Cornelious, Bacon, Whipple & Co.			
Aetna Casualty	3.00*	140	145
Aetna Fire	2.40	57	58½
Aetna Life	2.50*	103½	105½
Agricultural Insurance	1.60	31½	33
American Equitable	1.70	32	33½
American Auto	2.00	50	52
American, (N. J.)	1.10	27	28
American Motorists (New)24	7½	8½
American Surety	3.00	61½	63
Boston	1.40	34	35
Continental Casualty	1.10*	23½	24½
Crum & Forster Com.	1.60	51	53
Federal70*	31½	32½
Fire Association	3.00	46	47
Fireman's Fund	1.60	69	71
Firemen's (N. J.)	1.00	27½	28½
General Reinsurance	1.60	43	45
Glens Falls	2.00	63	65
Globe & Republic80	15½	16½
Great American Fire	1.50	33	34½
Hartford Fire	3.00	181	183
Hanover Fire	1.80	41	42½
Home (N. Y.)	2.00	40½	41½
Ins. Co. of No. America	2.25*	94	96
Maryland Casualty	1.20	31	32
Mass. Bonding	1.50*	34½	35½
National Casualty	1.50*	28	Bid
National Fire	3.00	79	81
National Union	2.00	46	47
New Amsterdam Cas.	1.50	46	47½
New Hampshire	2.00	45½	46½
North River	1.20	30	31
Ohio Casualty	1.55*	63	65
Phoenix, Conn.	3.40	104	106
Prov. Wash.	1.50*	29	30½
St. Paul F. & M.	1.00	39	41
Security, Conn.	1.70*	36	37½
Springfield F. & M.	2.00	49	51
Standard Accident	1.60	48	50
Travelers	14.00*	906	915
U. S. F. & G.	2.00	69	71
U. S. Fire	1.80*	42	43½

*Includes extras.

James R. Rooney, bonding manager at New York for Indemnity of North America, has retired because of poor health. He joined the company in 1923 as superintendent of bonding claims in New York and a year later was promoted to bond manager.

Edgar Spear, Woodville, N.H. agent, has been elected secretary of the chamber of commerce there.

Restraining Order Against El Paso Insurers Extended

District Judge Charles O. Betts at Austin has extended a temporary restraining order against United Lloyds and United World Life, both of El Paso, which prevents the companies from doing business until a hearing on a temporary injunction sought by Texas is concluded.

The original restraining order was issued by Judge Betts Jan. 28 and prevented the companies from disposing of any assets pending a receivership action.

The suit, filed by Attorney General Shepperd, declaring that the two companies falsely claimed assets in cash and securities that did not exist, has been attacked by Charles Crenshaw, attorney for the companies, who contended that the state insurance code requiring 30 days' notice before bringing suit, was not complied with. The action, he said, "is working a great detriment and harm to the policyholders."

On the motion of Frank Hunter, El Paso attorney, Judge Betts modified the restraining order to permit release of personal bank accounts of all but one defendant, Spencer S. Trehanne, chief officer of both companies. Originally, assets of all defendants were frozen.

The action by the state to appoint a receivership is by way of determining true ownership and proper distribution of the assets of the insurers and its seven agencies, five of which are military writers. United Lloyds was organized as a mail-order insurer for military personnel. United World Life supposedly never exercised its charter, which permits writing of A&H insurance.

An affidavit by L. W. Blanchard, chief examiner for State Board of Insurance Commissioners, was presented, stating the companies had a surplus deficit of \$426,424 and alleging that the funds of the two companies had been intermingled with Trehanne's funds.

Gets \$420,000 Award in Negligence Suit

Federal court of Chicago under Judge Igou has awarded I. O. Maynard of that city \$420,000 in a negligence suit against the Chicago, Milwaukee & St. Paul railroad. Mr. Maynard lost both legs three inches below the hip, his left arm three inches below the elbow and all of the fingers except one on his right hand when he was run over and dragged some 30 feet by one of the railroad's freight cars at Madison, Wis.

The accident occurred July 18, 1951, and the case was tried in court but was turned down by a reported vote of 11 to 1. In the second trial, which lasted two weeks, the jury was out three and a half hours before deciding for Mr. Maynard. He had asked \$750,000, but the court felt that 40% of the negligence was the plaintiff's.

Mr. Maynard and two other men were engaged in painting high tension towers which bordered on the railroad right of way. None of the men were employed by the railroad.

There had been a cut of 10 cars standing on a side or storage track, apparently for some time since the rails were heavily rusted, and on the third day in the area Mr. Maynard and his co-workers decided to eat their lunch under one of the cars to escape the July sun.

At this point 14 cars were shunted on to the unused track and rolled into the cars, knocking them about 30 feet, with only Mr. Maynard's companions able to dive from under the car in time.

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It is easier to sell insurance properly than it is to attempt to sell it haphazardly.

To do the job right—

1. Determine the prospect's needs for protection,
2. Make an analysis of his present policies,
3. Recommend a planned protection program.

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1. What it costs,
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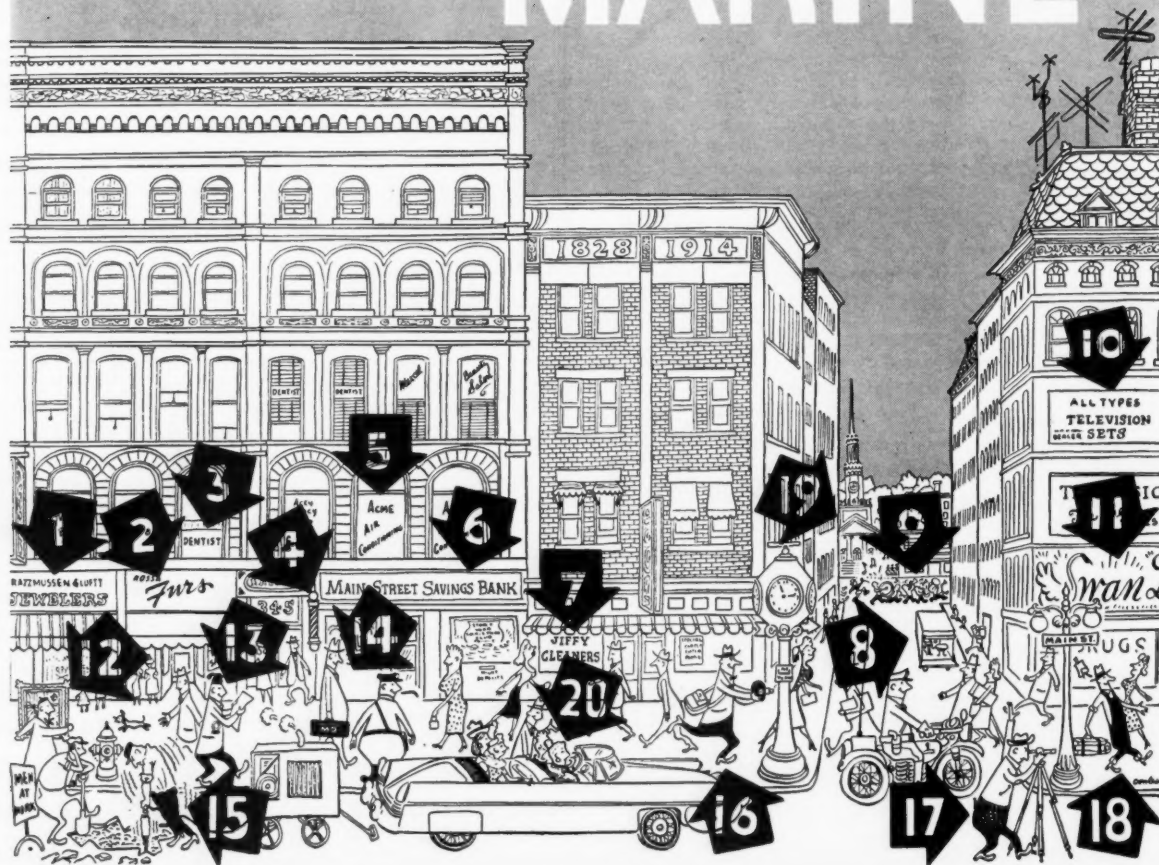
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3. Physicians and Surgeons Instruments
4. Miscellaneous Floater
5. Installation Floater
6. Registered Mail—First Class Mail
7. Cleaners and Dyers
8. Motor Truck Cargo
9. Musical Instruments
10. Deferred Payment Floater

11. Neon Sign
12. Fine Arts
13. Lodge Paraphernalia
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16. Personal Articles Floater
17. Scientific Instruments
18. Tools Floater
19. Stained Glass Windows
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